COMPREHENSIVE ANNUAL FINANCIAL REPORT

Midvale City Corporation

In the Middle of Everything

Midvale, Utah
Fiscal Year Ended June 30, 2015

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INTRODUCTORY SECTION

MIDVALE
In the Middle of Everything

7505 S. Holden Street
Midvale, UT 84047
Phone (801) 567-7200

December 15, 2015

To the Honorable Mayor, Members of the City Council, and Citizens of Midvale City:

The Finance Department of Midvale City is pleased to present the Comprehensive Annual Financial Report (CAFR) for Midvale City Corporation for the year ended June 30, 2015.

Utah law requires that all local governments publish within six months of the close of the fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP), and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed Certified Public Accountants. This CAFR is hereby issued and submitted to you in accordance with these requirements.

The report consists of management's representations concerning the finances of Midvale City. Management assumes full responsibility for the completeness and reliability of all of the information presented herein. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

Hansen, Bradshaw, Malmrose, & Erickson, P.C., a firm of certified public accountants, has audited Midvale City's financial statements. The goal of an independent audit is to provide reasonable assurance that the City's financial statements, for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

GAAP require that the management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

GOVERNMENT PROFILE

Midvale City was incorporated in 1909. The City operates under a six-member Council form of government, consisting of five councilmembers and the Mayor. The Mayor votes only in cases of a tie. The Mayor serves as the Chief Executive Officer of the City. The Chief Administrative Officer is the City Manager, who oversees day-to-day operations of the City. The Mayor is elected to serve the citizens at large; the Council Members are elected by voting districts. All elected officials serve four-year terms which are staggered every two years. The elections are on a non-partisan basis.

With a current population of approximately 31,700, Midvale is one of the 25 largest cities in the state of Utah. It provides commuter access via Interstates 15 and 215, State Street, and Fort Union Boulevard. Utah Transit Authority provides bus and light-rail service, with two light-rail stations within its boundaries. The geographic area of the City is 5.8 square miles.

FACTORS AFFECTING FINANCIAL CONDITION

Midvale has a robust retail base. Sales tax revenues make up almost 40% of General Fund revenues. Very little of the City's operating revenue comes from property tax. One of two Redevelopment Project Areas in the City, Bingham Junction, consists of 390 acres and is nearly built-out. The second, Jordan Bluffs, consists of 268 acres and is generally undeveloped; however, the ownership group has recently begun to market the property.

LONG-TERM FINANCIAL PLANNING

Midvale City uses a long-term strategic planning model to enhance the annual budget process and work towards maintaining and improving all infrastructure systems. It is the policy of the Council to maintain General Fund reserves at or above fifteen percent of operating revenue. Enterprise funds of the City have a capital reserve component built into utility rates.

ACKNOWLEDGEMENTS

This is the first year that a CAFR has been issued. In addition to the basic financial statements, the CAFR includes a statistical section which provides a ten year history of detailed information as a context for understanding the City's overall financial health.

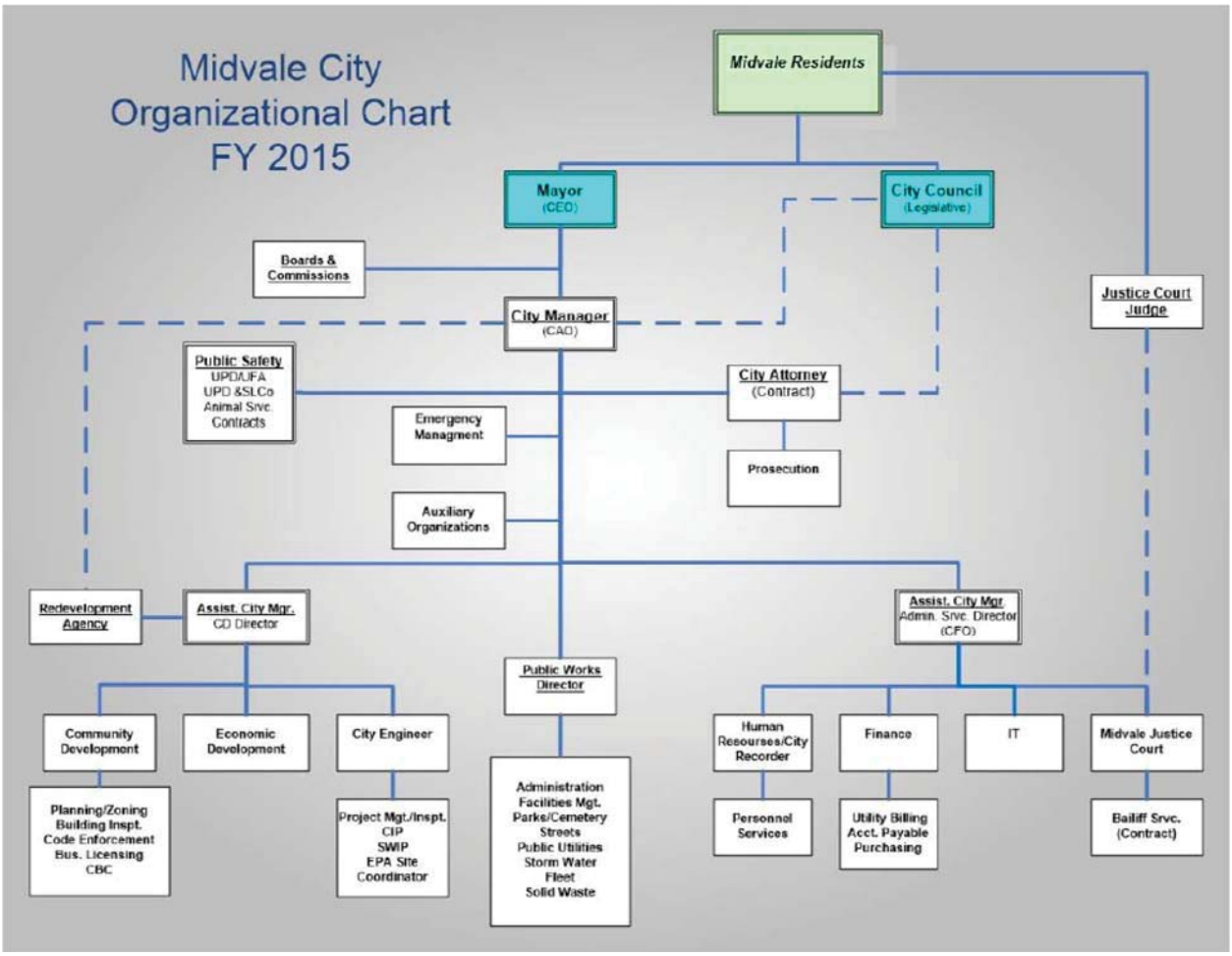
While the entire City Staff has contributed to the timely and efficient preparation of this report, special thanks is due to the Finance department. I also appreciate the professionalism of our auditors and their significant assistance in drafting the CAFR. Finally, thank you to our Mayor, City Council, and City Manager for their dedication to making Midvale City great.

Sincerely,

Laurie N. Harvey

Laurie N. Harvey, CPA
Administrative Services Director

MIDVALE CITY CORPORATION
Organizational Chart



FINANCIAL SECTION

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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Members of the American Institute of Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
Midvale City Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Midvale City Corporation ("the City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Midvale City Corporation as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and for the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-20 and pension schedules on pages 65-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

December 15, 2015

Midvale City Corporation
Management's Discussion and Analysis
June 30, 2015

Midvale City Corporation's management presents to the readers of its financial statements this narrative information. It contains an overview and analysis of the financial position and results of operations as of and for the twelve months ended June 30, 2015. As management of the City, we encourage readers to consider information contained in this discussion and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Midvale City Corporation (Midvale) exceeded liabilities and deferred inflows of resources at the close of the current fiscal year by $95,012,807.

- The Statement of Net Position shows a negative balance in Unrestricted Net Position for Governmental Activities because the City funds certain long-term liabilities as they come due rather than when they are incurred. Specifically, some of the proceeds from the Series 2010 Redevelopment Agency of Midvale City (RDA) bonds were used for redevelopment expenses as opposed to capital assets, and debt service is paid annually from property tax increment revenue received each year. This is not uncommon with governmental agencies.

- Net position increased by $2,283,830 in FY 2015.

- Expenses from governmental activities exceed program revenues by $8,178,782 for FY 2015. This represents program costs not recovered through charges for services and grants, and therefore funded primarily by taxes. Last year, expenses from governmental activities exceeded program revenue by $7,943,988.

- In comparison to FY 2014, General Fund revenues decreased by $824,802, and expenditures increased by $210,055. Revenues exceeded expenditures by $2,236,564 in FY 2015.

- The City's General Fund committed, assigned, and unassigned fund balance on June 30, 2015 is $2,752,356. This is equal to 17% of the actual revenue ($16,001,923) for the General Fund for FY 2015. Utah state law prohibits fund balance in excess of twenty five percent or less than five percent of actual revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Midvale City's basic financial statements. The City's financial statements comprise three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements that will help the reader gain a more in-depth understanding of the City.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the City, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or declining.

The *statement of activities* shows the changes in net assets that occurred during the most recent fiscal year. These changes were recorded on an accrual basis when the underlying event that causes the change occurs, regardless of when the cash transaction takes place. One example is the next debt interest payment when the fiscal year ends between interest payments. The *statement of activities* shows additional interest expense (an accrual) for the time period between the last interest payment and the end of the fiscal year.

Both of these government-wide financial statements distinguish between activities that are largely supported by taxes and intergovernmental revenues (governmental activities) and those whose operations are entirely or largely financed by user charges and fees (business type activities). The governmental activities for Midvale City include general government (council, mayor, administration, court); community and economic development; public safety; highways and public improvements; parks, recreation, and public property. The business type activities include water, sewer, storm water utility, solid waste, telecommunications, and street lighting.

The Redevelopment Agency of Midvale City and the Municipal Building Authority are legally separate from the City, but for all practical purposes function as a part of the City and are therefore blended as an integral part of the primary government.

The Midvale Community Building Communities (CBC) organization is a separate legal entity from the City and does not function as part of the City. However, program services of CBC mainly benefit residents of Midvale. Therefore, CBC is presented as a discretely presented component unit of the City.

The government-wide financial statements are found as listed in the table of contents.

Fund financial statements

A fund is a set of closely related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. Midvale City, like other state and local governments uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the City's funds can be categorized into one of two categories: governmental funds or proprietary funds.

Governmental funds account for essentially the same activities as the governmental activities in the government-wide financial statements, but with a narrower focus. Governmental funds concentrate on near-term inflows and outflows of financial resources and the balances of spendable resources available to the government at the end of the fiscal year. This information can be useful in evaluating the government's short- term financing requirements.

Comparing similar information presented in the government-wide statements for the governmental activities with that presented in governmental funds statements can provide useful information because of the different focus of the two approaches. With the long-term focus of the government-wide statements, a reader may be able to better understand the long-term effects of the near term financing decisions. To aid in the comparison, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance show reconciliation between the governmental funds statements to the governmental activities in the government-wide statements.

Midvale City uses four different individual governmental funds: General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund. Information is show separately for each of these funds, and each fund is deemed a major fund. The City adopts an annual appropriated budget for all its governmental funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found as listed in the table of contents.

Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Internal Service Funds are used to report activities that provide goods or services to other funds or departments of the City.

The Enterprise Funds maintained by Midvale City include public utilities (water/sewer), storm water utility, street lighting, solid waste, and telecommunications service. Midvale City uses Internal Service Funds to account for its vehicle fleet activities and information technology equipment. Because the activities of the Internal Service Funds support primarily governmental rather than business-type activities, they have been included within the governmental activities column of the government-wide financial statements.

Proprietary funds present the same information as in the government-wide statements, except in more detail. The fund statements for proprietary funds provide separate information for each fund. The Street Lighting and Telecommunications funds are combined, with separate information provided in the notes to the financial statements. The Internal Service Funds are presented in the proprietary fund financial statements. The City also adopts annual appropriated budgets for all of its proprietary funds. The basic proprietary fund financial statements can be found as listed in the table of contents.

Notes to the financial statements

Notes to the financial statements contain additional information important to a complete understanding of the information contained in the government-wide and fund financial statements. Notes to the financial statements are located after the statements for major funds as listed in the table of contents.

OTHER INFORMATION

Required Supplementary Information (RSI) and Supplemental Information sections follow the Notes to the financial statements. RSI provides information regarding the City's net pension liability and pension contributions. The information provided in supplemental information includes combining financial statements for the Street Lighting and Telecommunications proprietary funds and for both Internal Service Funds. It also includes a schedule of revenues, expenditures, and changes in fund balances, and comparison of budget to actual for the Capital Projects Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This table shows a comparison of Net Position between governmental and business-type activities for the current year and the prior year:

Midvale City Corporation's Net Position	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 13,477,022	$ 16,181,896	$ 13,216,441	$ 15,042,082	$ 26,693,463	$ 31,223,978
Capital assets	93,166,131	90,742,026	41,297,927	39,055,827	134,464,058	129,797,853
Total Assets	106,643,153	106,923,922	54,514,368	54,097,909	161,157,521	161,021,831
Deferred outflows of resources	274,034	228,576	91,833	76,599	365,867	305,175
Current liabilities	3,380,310	3,697,094	2,907,553	2,061,685	6,287,863	5,758,779
Noncurrent liabilities	36,308,331	37,924,584	22,569,819	23,866,029	58,878,150	61,790,613
Total Liabilities	39,688,641	41,621,678	25,477,372	25,927,714	65,166,013	67,549,392
Deferred inflows of resources	1,292,198	1,048,637	52,370	-	1,344,568	1,048,637
Net position:						
Net investment in capital assets	80,565,863	74,464,507	20,418,787	19,014,743	100,984,650	93,479,250
Restricted	883,082	3,752,036	-	-	883,082	3,752,036
Unrestricted	(15,512,597)	(13,734,360)	8,657,672	9,232,051	(6,854,925)	(4,502,309)
Total net position (as restated)	$ 65,936,348	$ 64,482,183	$ 29,076,459	$ 28,246,794	$ 95,012,807	$ 92,728,977

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Midvale City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $95,012,807.

The largest component of Midvale City's net position is its investment in capital assets. Capital assets represent the City's investment in land and land improvements; curb, gutter, and sidewalk; roads and storm drains; water and sewer lines; streetlights and signals, bridges, buildings, and machinery and equipment. Midvale City uses these capital assets to provide services to citizens who live, work, pass through or benefit in other ways from the City. By their nature, these assets are not available for future spending. Further, even though these capital assets are reported net of any related debt, resources needed to repay the debt must come from other sources, as the assets themselves cannot be used to satisfy the related obligations.

ACTIVITIES, GOVERNMENTAL AND BUSINESS-TYPE

This table shows a comparison of revenues, expenses, and changes in Net Position between governmental and business-type activities for the current year and the prior year:

Midvale City Corporation's Changes in Net Position	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 4,423,148	$ 4,075,228	$ 8,696,458	$ 7,958,502	$ 13,119,606	$ 12,033,730
Operating grants and contributions	4,281,630	4,683,624	117,632	116,744	4,399,262	4,800,368
Capital grants and contributions	837,135	793,079	-	-	837,135	793,079
General revenues:						
Property taxes	1,145,102	1,081,837	-	-	1,145,102	1,081,837
Other taxes	8,985,727	8,762,949	-	-	8,985,727	8,762,949
Unrestricted investment earnings	46,144	85,590	47,647	40,015	93,791	125,605
Other	370,476	138,886	-	-	370,476	138,886
Gain on sale of assets	2,598	-	-	-	2,598	-
Total revenues	20,091,960	19,621,193	8,861,737	8,115,261	28,953,697	27,736,454
Expenses:						
General government	5,666,704	5,256,415	-	-	5,666,704	5,256,415
Public safety	6,383,475	6,050,012	-	-	6,383,475	6,050,012
Highways and public improvements	2,500,529	2,967,910	-	-	2,500,529	2,967,910
Parks and recreation	813,033	715,784	-	-	813,033	715,784
Redevelopment	618,747	704,130	-	-	618,747	704,130
Interest on long-term debt	1,738,207	1,801,668	-	-	1,738,207	1,801,668
Water	-	-	3,993,392	5,170,826	3,993,392	5,170,826
Sewer			1,615,068		1,615,068	-
Storm Water	-	-	1,181,903	1,366,964	1,181,903	1,366,964
Sanitation	-	-	918,913	951,112	918,913	951,112
Telecom			825,907	808,618	825,907	808,618
Street Lighting	-	-	426,829	160,791	426,829	160,791
Gain on equity investment	-	-	(12,840)	(33,824)	(12,840)	(33,824)
Total expenses	17,720,695	17,495,919	8,949,172	8,424,487	26,669,867	25,920,406
Increase (decrease) in net position, before transfers	2,371,265	2,125,274	(87,435)	(309,226)	2,283,830	1,816,048
Transfers	(917,100)	(741,300)	917,100	741,300	-	-
Increase (decrease) in net position,	1,454,165	1,383,974	829,665	432,074	2,283,830	1,816,048
Net position - beginning (as restated)	64,482,183	63,098,209	28,246,794	27,814,720	92,728,977	90,912,929
Net position - ending	$ 65,936,348	$ 64,482,183	$ 29,076,459	$ 28,246,794	$ 95,012,807	$ 92,728,977

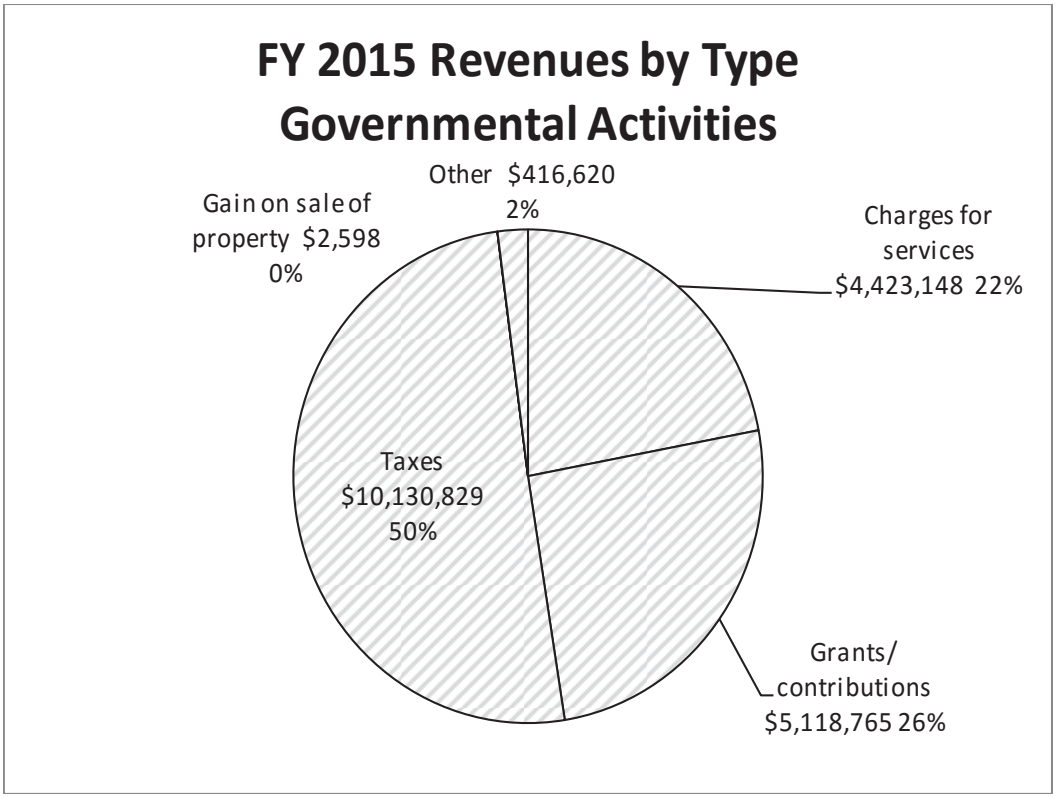
Total revenues for Governmental Activities increased by $470,767 this year. Charges for services increased by $347,920, and total grants decreased by $357,938. Property tax revenue increased by $63,265, and other taxes increased by $222,778.

Total expenses for Governmental Activities increased by $224,776. Public safety expenses increased by $333,463, and expenses for highways and public improvements decreased by $467,381.

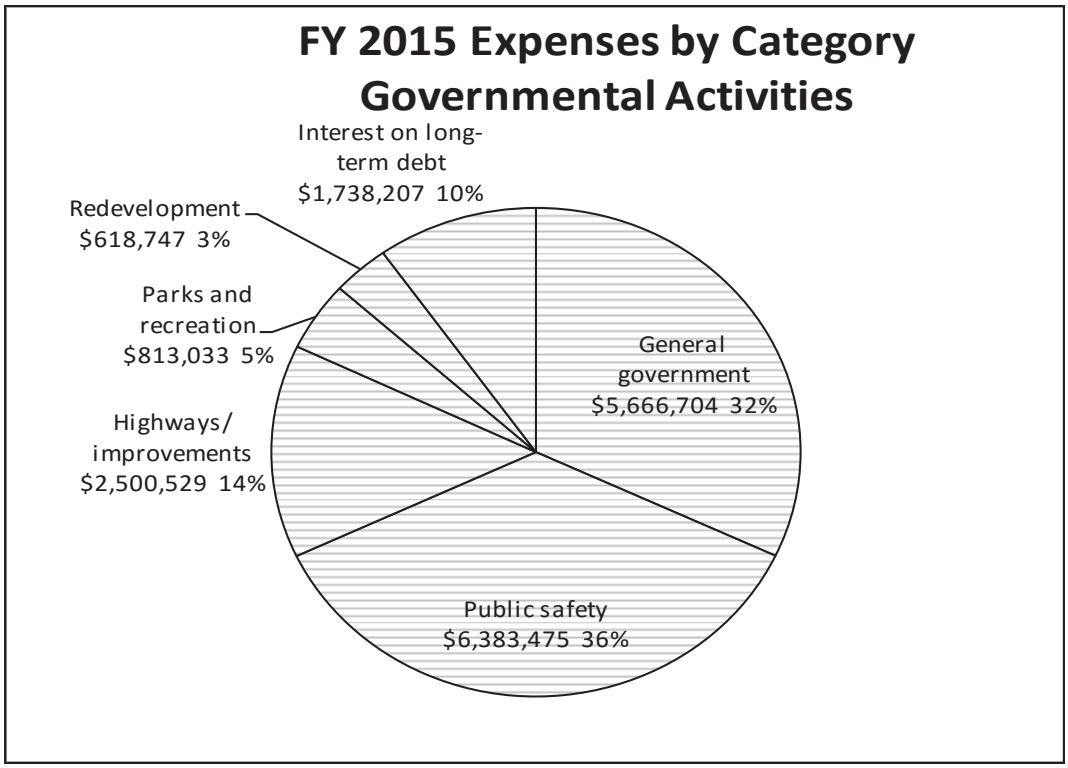
Total revenues for Business-type Activities increased by $746,476, and total expenses increased by $524,685.

Governmental Activities

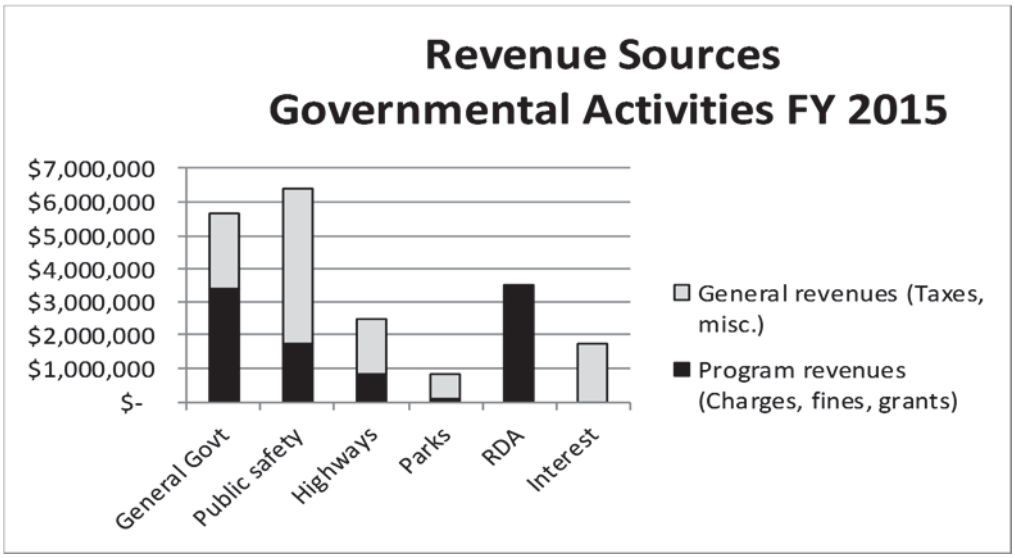
The following graphs illustrate the governmental activities reflected in the above tables.



The chart above illustrates the reliance on tax revenues by the government funds. Charges for services include administrative fees assessed to the City's enterprise funds (Business-type Activities).



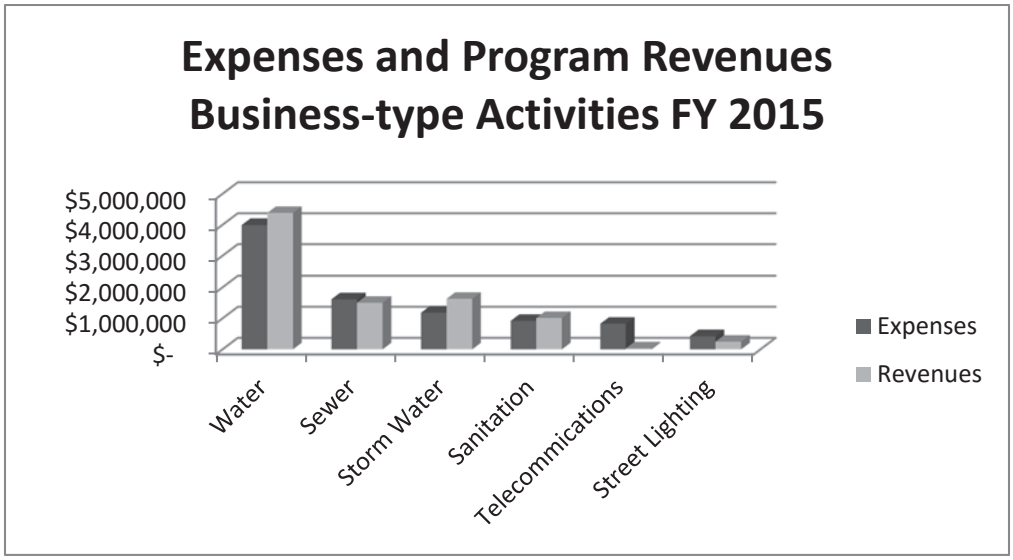
The chart above illustrates the various types of expenditures of Governmental Activities. The largest component is public safety, which includes the City's contract with the Unified Police Department.



This graph illustrates how programs are funded. The dark section of the bar represents program revenues, such as charges for services, court fines, and intergovernmental grants. The light section of the bar represents the amount of general revenues required to fund the programs. General revenues consist mainly of property, sales, and franchise taxes. Clearly, program revenues alone do not cover program expenses. Revenues raised from taxes ($10.1 million in FY 2015) provide the additional funding needed to operate the programs of the General Government.

Business-type Activities

The following graphs display the business-type activities reflected in the above tables.



Business-type activities generally charge and receive only the amounts required to cover expenditures of operations plus reserves for future capital improvements.

FINANCIAL ANALYSIS OF MIDVALE CITY'S FUNDS

Midvale City's governmental funds provide information on the short-term resource inflows and outflows and account balances at the end of the fiscal year. The total fund balance is a measure of total available resources and the unreserved portion of this total fund balance is a measure of the available spendable resources at June 30, 2015.

For the period ending June 30, 2015, the City's governmental funds reported a combined fund balance amount of $7,915,500, a decrease of $3,033,451 from June 30, 2014. The decrease is due to the completion of Midvale's City Hall/Justice Court and the city-wide street lighting program. In the governmental funds, spending for capital assets is recorded as a current year expenditure. Total assets decreased by $2,917,764, total liabilities decreased by $45,024, and deferred inflows of resources increased by $160,711.

Of the total combined fund balance at year end, $2,752,356 is unassigned, or available for appropriation. Restricted fund balance of $883,802 consists of debt service reserves. Assigned fund balance of $4,129,932 represents funds that can only be used by the Redevelopment Agency for redevelopment purposes, Municipal Building Authority, or by the Capital Projects Fund for capital projects.

The General Fund is the main operating fund for Midvale City Corporation. At June 30, 2015, fund balance is $3,004,821. $252,465 is restricted for debt service on Excise Tax Revenue Bonds. The remaining $2,752,356 is unassigned and available for appropriations. A useful measure of liquidity is to compare the unassigned fund balance to expenditures (including operating transfers out) for the year. Unassigned fund balance is equal to 17% of total actual revenues for FY 2015. The City Council has formally adopted a policy of maintaining unreserved fund balance equal to 15% of General Fund expenditures.

Total fund balance for the General Fund increased by $44,406 in FY 2015.

The Capital Projects Fund has a total fund balance of $2,020,096 at June 30, 2015. The fund balance decreased by $807,059 in Fiscal Year 2015 due to completion of projects. Expenditures in the Capital Projects Fund include $1,121,270 for improvements to city streets.

The Redevelopment Agency (RDA) of Midvale City has an increase in fund balance of $714,948. Revenues from property taxes contributed by other government entities, and interest income were sufficient to cover expenditures for debt service and operations. The agency administers development on the project area, generally between Midvale's southern border and 7200 South, and 700 West to Midvale's western border. Fiscal Year 2015 is the sixth year the agency has received property tax revenues. Contributions of property tax revenues from other agencies for FY 2015 totaled $3,057,153. The RDA issued revenue bonds in the amount of $27 million in FY 2010 in order to reimburse developers for extraordinary development costs. Security for these bonds and the source of repayment is property tax revenues in future years. The fund balance at the end of the year is $1,848,771.

The Municipal Building Authority (MBA) has a fund balance of $1,041,812. $630,230 is restricted for debt service payments. The remaining fund balance of $411,582 will be used for building projects or debt service.

Information provided by the City's proprietary funds is similar to the information found in the government-wide financial statements; however, the fund information provides more detail. Unrestricted net position of the City's proprietary funds totaled $2,820,472 for Water, $3,989,630 for Sewer, $(88,909) for Storm Water, $1,274,119 for Sanitation, $265,177 for Street Lighting, and $397,183 for Telecommunications.

The City operates Internal Service Funds for fleet operations and information technology equipment. Departments utilizing City vehicles pay a pre-determined, monthly amount into the Fleet Fund for fuel, repairs and maintenance, and a reserve for replacement of retiring vehicles. The Information Technology Fund collects a set amount from each department based upon the number and type of computers in order to replace equipment at the end of its useful life. Detailed information for these funds is included with the Proprietary Funds. Net position for the Fleet Fund and the Information Technology Fund as of June 30, 2015 was $2,397,001 and $18,098 respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

Midvale City amends its budget as needed throughout the year in order to refine estimates and appropriate grant monies received after the original budget has been finalized. Differences between the original and final amended budgets for FY 2015 reflect the following:

- Budgeted revenues from operations increased by $1,209,700 primarily due to grants awarded during the fiscal year.

- Budgeted expenditures increased by $191,300.

- Transfers in increased by $22,000, and transfers out increased by $1,040,400 due to transfers of grant revenue to the Capital Projects Fund.

- Actual General Fund revenues were $246,077, or 1.5% below estimates and actual General fund expenditures were $447,241, or 3.1% below budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Midvale City's investment in capital assets is $134,464,058 ($100,984,650 net of related debt) as of June 30, 2015. Types of assets included in this category are land, land improvements, buildings, machinery and equipment, park and other recreation facilities, roads (including curb and gutter, sidewalk, and storm drain), street lights, traffic signals, water and waste water distribution and collection systems, and bridges. The chart below shows the various components of Capital Assets net of depreciation.

Midvale City Corporation's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and water rights	$ 60,207,533	$ 60,207,533	$ 3,196,361	$ 3,196,361	$ 63,403,894	$ 63,403,894
Infrastructure	17,977,002	17,942,798	-	-	17,977,002	17,942,798
Buildings	11,518,577	4,558,470	3,888,497	2,044,974	15,407,074	6,603,444
Improvements other than buildings	1,156,934	528,958	32,463,794	32,729,555	33,620,728	33,258,513
Machinery and equipment	1,794,331	987,531	57,389	32,162	1,851,720	1,019,693
Construction in progress	511,754	6,516,736	1,691,886	1,052,775	2,203,640	7,569,511
Total	$ 93,166,131	$ 90,742,026	$ 41,297,927	$ 39,055,827	$ 134,464,058	$ 129,797,853

Midvale City's long-term debt, excluding compensated absences and unamortized premiums and discounts on bonds, is $58,637,867. This is well below the City's legal debt capacity imposed by the state. The table below shows the different categories of the City's long term debt.

Bonds, Notes and Leases

	Governmental		Business-type		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	$ 1,800,000	$ 2,115,000	$ -	$ -	$ 1,800,000	$ 2,115,000
Revenue bonds	33,645,000	35,000,000	22,830,000	23,801,000	56,475,000	58,801,000
Notes	75,000	90,000	287,867	314,024	362,867	404,024
Leases	-	-	-	-	-	-
	$ 35,520,000	$ 37,205,000	$ 23,117,867	$ 24,115,024	$ 58,637,867	$ 61,320,024

No new debt was issued in FY 2015. Debt issued in prior years (with ratings if applicable) includes:

- General obligation bonds ($1,800,000), maturing September 2019 – Rated AA- by S&P
- Excise tax revenue bonds ($1,140,000), maturing April 2019 – Rated AA by S&P
- 2007 Water and Sewer Revenue Bonds ($9,413,000), maturing October 2032 – Rated A+ by S&P, AA- by Fitch
- 2010 Water and Sewer Revenue Bonds ($6,930,000), maturing October 2030 – Rated A+ by S&P, AA- by Fitch
- RDA Revenue Bonds ($23,750,000), maturing May 2034 – Rated AA- by S&P
- MBA Lease Revenue Bonds ($8,775,000), maturing October 2038 – Rated A+ by Fitch, A2 by Moodys
- 2012 Water and Sewer Refunding Bonds ($1,278,000), maturing April 2027

Debt issued in prior years (with ratings if applicable) includes (continued):

- 2013 Water, Sewer, Storm Water Revenue Bonds ($2,409,000), maturing October 2028
- 2014 Water, Sewer, Storm Water Revenue Bonds ($2,800,000), maturing October 2029
- Commitment to Salt Lake County for the relocation of flood channels ($150,000)
  Note payable to the Utah Infrastructure Agency ($212,867)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Midvale City continues to see major growth in the Bingham Junction Redevelopment Project Area. With four new office projects either under construction or just completed, Bingham Junction will be adding approximately 670,000 square feet to its current office park developments.

Topgolf, a premier golf entertainment complex, will open in spring 2016. Topgolf currently operates eleven locations nationwide and has eleven more on the way. CHG Healthcare Services, the nation's largest privately owned healthcare staffing company, has broken ground and is scheduled to be finished in December, 2016. And Overstock.com, the Utah-based, online retailer is relocating its corporate headquarters to Midvale City. The $80-$100 million dollar project is scheduled to be completed in summer of 2016 and will house more than 1,500 employees.

While 80% of property tax revenues from this development are diverted to the Redevelopment Agency of Midvale City, sales tax from retail establishments will benefit the General Fund.

The General Fund is the largest of Midvale City Funds. Most of the City's operations are administered here. The budget for FY 2016 is $16,158,500, down from $17,076,300 in FY 2015. The difference is largely due to a decrease in budgeted grant revenue. Our policy is to budget revenue from grants only after contracts are executed. As grants are awarded during FY 2016, the budget will be amended to include the additional revenues and expenditures.

Estimated revenue from taxes increased 3.4% from the prior year's budget. While sales tax revenue continues to increase, growth has slowed since recovery from the 2008 recession.

General Fund budgeted expenditures exceed estimated revenues by $1,020,800. In order to avoid a tax increase, the Council opted to use Fund Balance to make up the shortfall. While this is not likely a permanent solution, this decision delays a property tax increase while other alternatives are explored. This draw on Fund Balance reduces the "rainy day fund" to 8% instead of the desired 15%. The City's Fleet Fund has reserves which can be drawn upon in an emergency.

The largest General Fund expenditure is for public safety. $6.5 million, 40% of total expenditures, is budgeted for police services, emergency management, and animal control services. The City contracts with Unified Police Department for police services.

While an average 2% merit increase is budgeted for employees, funding for health insurance benefits was frozen at the FY 2015 level, as changes were made to plans offered to employees. Other budget enhancements include increasing emphasis on processing outstanding Justice Court warrants, offering a monthly City newsletter, improving the Cemetery road, and funding landscape maintenance for new park space.

A major concern going forward is funding for roads. The only revenue source currently available for road maintenance is our allocation from the state's B&C Road Funds (approximately $850,000 per year). According to recent studies, $2 million per year is the amount needed to maintain and improve city roads to the desired standard.

The City has three separate service areas for billing and rate setting for its utility services. Service Area 1 is the "Historic Midvale" area, generally between State Street and 700 West. Service Area 2 is the "Bingham Junction" area, generally west of 700 West, and Service Area 3 is the "Union Jordan" area, formerly provided water service by Sandy City.

Utility rates for FY 2016 have been adjusted as follows:

Utility	Service Area 1	Service Area 2	Service Area 3
Water base/overage	5% decrease	No change	No change
Sewer base	5% increase	5% increase	n/a
Sewer overage	49% increase	5% increase	n/a
Storm Water	No change	No change	No change
Street Lighting	50% increase	50% increase	50% increase
Garbage	10% decrease	10% decrease	10% decrease

Additional information and explanations for the rate changes can be found in the FY 2016 budget available on the City's website.

REQUESTS FOR INFORMATION

This financial report is designed to give its readers a general overview of Midvale City Corporation's finances. Questions regarding any information contained in this report or requests for additional information should be addressed to the Director of Administrative Services, 7505 South Holden Street, Midvale, Utah 84047 or by calling 801-567-7238.

MIDVALE CITY CORPORATION
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total	Component Unit Communities Building Communities
ASSETS				
Cash, cash equivalents, and investments:				
Unrestricted	$ 8,279,009	$ 4,679,597	$ 12,958,606	$ 8,821
Restricted	883,082	2,490,360	3,373,442	-
Receivables (net of allowance for uncollectibles):				
Accounts and taxes	2,565,687	1,020,857	3,586,544	-
Contracts	-	224,070	224,070	-
Court fines	973,194	-	973,194	-
Due from other governments	596,207	-	596,207	-
Inventory	5,622	38,097	43,719	-
Prepaids and deposits	21,460	-	21,460	-
Intangible assets	-	4,455,093	4,455,093	-
Note receivable	-	307,484	307,484	-
Net pension asset	2,631	883	3,514	-
Land held for resale	150,130	-	150,130	-
Capital assets not being depreciated:				
Water stock	-	3,081,299	3,081,299	-
Land	60,207,533	115,062	60,322,595	-
Construction in progress	511,754	1,691,886	2,203,640	-
Capital assets, net of accumulated depreciation:				
Buildings	11,518,577	3,888,497	15,407,074	-
Improvements other than buildings	1,156,934	32,463,794	33,620,728	-
Equipment	1,794,331	57,389	1,851,720	-
Infrastructure	17,977,002	-	17,977,002	-
Total assets	**106,643,153**	**54,514,368**	**161,157,521**	**8,821**
Deferred outflows of resources:				
Deferred pension obligation	274,034	91,833	365,867	-
Total deferred outflows of resources	**274,034**	**91,833**	**365,867**	**-**
LIABILITIES				
Current liabilities:				
Accounts payable	812,875	1,360,386	2,173,261	18,345
Accrued liabilites	217,968	45,391	263,359	-
Accrued interest payable	308,605	254,899	563,504	-
Compensated absences	280,862	72,877	353,739	-
Bonds and notes payable	1,760,000	1,174,000	2,934,000	-
Noncurrent liabilites:				
Bonds and notes payable	33,960,038	22,094,821	56,054,859	-
Compensated absences	76,589	18,220	94,809	-
Net pension liability	1,194,630	400,337	1,594,967	-
Deposits held	1,077,074	56,441	1,133,515	-
Total liabilities	**39,688,641**	**25,477,372**	**65,166,013**	**18,345**
Deferred inflows of resources:				
Deferred revenue property taxes	1,135,927	-	1,135,927	-
Deferred Pension obligation, net	156,271	52,370	208,641	-
Total deferred inflows of resources	**1,292,198**	**52,370**	**1,344,568**	**-**
NET POSITION				
Net investment in capital assets	80,565,863	20,418,787	100,984,650	-
Restricted for:				
Capital projects and redevelopment	883,082	-	883,082	-
Unrestricted	(15,512,597)	8,657,672	(6,854,925)	(9,524)
Total net position	**$ 65,936,348**	**$ 29,076,459**	**$ 95,012,807**	**$ (9,524)**

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Activities
For the Year Ended June 30, 2015

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Oerating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-type Activities	Net (Expense) Revenues and Changes in Net Position: Total	Component Unit: Communities Building Communities
Governmental activities								
General government	$ 5,666,704	$ 2,722,837	$ 690,127	$ -	$ (2,253,740)		$ (2,253,740)	
Public safety	6,383,475	1,633,011	97,134	-	(4,653,330)		(4,653,330)	
Highways and public improvements	2,500,529	-	-	837,135	(1,663,394)		(1,663,394)	
Parks, recreation and public property	813,033	67,300	-	-	(745,733)		(745,733)	
Redevelopment	618,747	-	3,494,369	-	2,875,622		2,875,622	
Interest on long-term debt	1,738,207	-	-	-	(1,738,207)		(1,738,207)	
Total governmental activities	17,720,695	4,423,148	4,281,630	837,135	(8,178,782)		(8,178,782)	
Business-type activities								
Water	3,993,392	4,267,495	117,632	-		$ 391,735	391,735	
Sewer	1,615,068	1,503,752	-	-		(111,316)	(111,316)	
Storm water	1,181,903	1,632,166	-	-		450,263	450,263	
Sanitation	918,913	1,010,970	-	-		92,057	92,057	
Telecommunications	825,907	33,421	-	-		(792,486)	(792,486)	
Street lighting	426,829	248,654	-	-		(178,175)	(178,175)	
Equity investment income	(12,840)	-	-	-		12,840	12,840	
Total business-type activities	8,949,172	8,696,458	117,632	-		(135,082)	(135,082)	
Component units								
Program services	142,270	64,512	181,917	-				$ 104,159
Administrative	84,003	-	-	-				(84,003)
Total component unit	226,273	64,512	181,917	-				20,156
General Revenues:								
Taxes								
Property taxes					1,145,102	-	1,145,102	-
Sales taxes					6,221,500	-	6,221,500	-
Telecommunications and franchise taxes					2,764,227	-	2,764,227	-
Gain on sale of assets					2,598	-	2,598	-
Interest income					46,144	47,647	93,791	
Miscellaneous					370,476	-	370,476	255
Transfers - net					(917,100)	917,100	-	-
Total general revenue and transfers					9,632,947	964,747	10,597,694	255
Change in net position					1,454,165	829,665	2,283,830	20,411
Net position - beginning (as restated)					64,482,183	28,246,794	92,728,977	(29,935)
Net position - ending					$ 65,936,348	$ 29,076,459	$ 95,012,807	$ (9,524)

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Balance Sheet – Governmental Funds
June 30, 2015

			Special Revenue		
	General	Capital Projects	Redevelopment Agency	Municipal Building Authority	Total Governmental Funds
ASSETS					
Cash, cash equivalents, and investments					
Unrestricted	$ 2,171,064	$ 2,271,557	$ 1,739,377	$ 636,922	$ 6,818,920
Restricted	252,465	-	387	630,230	883,082
Receivables, net:					
Accounts receivable	32,739	-	-	-	32,739
Taxes	2,333,876	-	164,837	-	2,498,713
Court fines	973,194	-	-	-	973,194
Intergovernmental	596,207	-	-	-	596,207
Deposits	21,460	-	-	-	21,460
Land held for resale	-	-	150,130	-	150,130
Total assets	$ 6,381,005	2,271,557	$ 2,054,731	$ 1,267,152	$ 11,974,445
LIABILITIES					
Accounts payable	$ 225,141	244,250	$ 30,376	$ 225,340	$ 725,107
Deposits held	1,074,199	2,875	-	-	1,077,074
Accrued liabilities	195,695	4,336	10,745	-	210,776
Total liabilities	1,495,035	251,461	41,121	225,340	2,012,957
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	971,088	-	164,839	-	1,135,927
Unavailable revenue - fines assessed	910,061	-	-	-	910,061
Total deferred inflows of resources	1,881,149	-	164,839	-	2,045,988
FUND BALANCES					
Nonspendable	-	-	150,130	-	150,130
Restricted for:					
Debt service	252,465	-	-	630,230	882,695
Redevelopment	-	-	387	-	387
Total restricted	252,465	-	387	630,230	883,082
Assigned to:					
Special revenue funds	-	-	1,698,254	411,582	2,109,836
Capital projects funds	-	2,020,096	-	-	2,020,096
Total assigned	-	2,020,096	1,698,254	411,582	4,129,932
Unassigned	2,752,356	-	-	-	2,752,356
Total fund balances	3,004,821	2,020,096	1,848,771	1,041,812	7,915,500
Total liabilities, deferred inflows of resources, and fund balances	$ 6,381,005	$ 2,271,557	$ 2,054,731	$ 1,267,152	$ 11,974,445

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Reconciliation of the Balance Sheet of Governmental Funds To The Statement of Net Position
June 30, 2015

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Fund Balances - Total Governmental Funds (page 23)	$	7,915,500
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is $127,491,572 less the accumulated depreciation of $35,360,573.		92,130,999
Interest on general obligation and lease revenue bonds is not accrued in governmental funds but rather is recognized as an expenditure when due.		(308,605)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(36,071,117)
Pension liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.		(1,055,589)
Other assets are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.		910,061
Internal service funds are used by management to charge the costs of fleet maintenance and computer equipment to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.		2,415,099
Net Position - Governmental Activities (page 21)	$	65,936,348

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2015

			Special Revenue		
	General	Capital Projects	Redevelopment Agency	Municipal Building Authority	Total Governmental Funds
REVENUES					
Taxes	$ 10,002,386	$ -	$ 128,443	$ -	$ 10,130,829
Licenses and permits	929,422	-	-	-	929,422
Intergovernmental	1,624,396	-	3,494,369	-	5,118,765
Charges for service	1,891,997	-	-	-	1,891,997
Fines and forfeitures	1,528,308	-	-	-	1,528,308
Interest income	10,246	19,759	6,744	9,395	46,144
Miscellaneous	15,168	-	-	355,308	370,476
Total revenues	16,001,923	19,759	3,629,556	364,703	20,015,941
EXPENDITURES					
General government	5,103,097	-	-	-	5,103,097
Public safety	6,392,114	-	-	-	6,392,114
Highways and public improvements	812,797	-	-	-	812,797
Parks, recreation, and public property	736,565	-	-	-	736,565
Redevelopment	-	-	3,565,775	-	3,565,775
Community development	5,056	-	-	-	5,056
Capital outlay	-	1,975,774	-	2,820,393	4,796,167
Debt service:					
Principal	565,000	-	870,000	235,000	1,670,000
Interest	150,730	-	1,385,861	235,056	1,771,647
Total expenditures	13,765,359	1,975,774	5,821,636	3,290,449	24,853,218
Excess (deficiency) of revenues over (under) expenditures	2,236,564	(1,956,015)	(2,192,080)	(2,925,746)	(4,837,277)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	2,598	-	2,932,028	-	2,934,626
Transfers in	25,000	1,148,956	-	-	1,173,956
Transfers out	(2,219,756)	-	(25,000)	(60,000)	(2,304,756)
Total other financing sources (uses)	(2,192,158)	1,148,956	2,907,028	(60,000)	1,803,826
Net change in fund balance	44,406	(807,059)	714,948	(2,985,746)	(3,033,451)
Fund balances at beginning of year	2,960,415	2,827,155	1,133,823	4,027,558	10,948,951
Fund balances at end of year	$ 3,004,821	$ 2,020,096	$ 1,848,771	$ 1,041,812	$ 7,915,500

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities (page 20) are different because:		
Net change in fund balances - total governmental funds (page 24)	$	(3,033,451)
Governmental funds report capital outlays as expenditures and do not report capital contributions, as they are not financial assets. However, in the statement of activities the cost of capital outlays is allocated over their estimated useful lives and reported as depreciation expense, and capital contributions are reported as assets and revenue. This is the amount by which capital outlays exceeded depreciation in the current period.		2,033,460
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,664,153
Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.		252,650
The net revenue of certain activities of the Internal Service Fund is reported with governmental activities.		552,144
Change in net position of governmental activities (page 22)	$	1,454,165

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Taxes	$ 10,200,600	$ 10,200,600	$ 10,002,386	$ (198,214)
Licenses and permits	653,600	676,900	929,422	252,522
Intergovernmental	1,155,100	2,343,600	1,624,396	(719,204)
Charges for services	1,681,000	1,657,200	1,891,997	234,797
Fines and forfeitures	1,312,500	1,312,500	1,528,308	215,808
Interest income	18,000	18,000	10,246	(7,754)
Miscellaneous	17,500	39,200	15,168	(24,032)
Total revenues	15,038,300	16,248,000	16,001,923	(246,077)
EXPENDITURES				
General government:				
City council	199,800	224,800	200,077	24,723
Court	849,400	889,400	878,924	10,476
General administration	609,700	644,700	614,319	30,381
Information technology	547,400	537,400	488,529	48,871
Finance	315,700	315,700	309,765	5,935
Recorder	264,000	249,000	241,809	7,191
City attorney	420,200	440,200	393,729	46,471
Non-departmental	234,500	234,500	226,772	7,728
Community and intergovernmental service	352,600	490,100	437,185	52,915
Employee services	54,700	69,700	35,277	34,423
Community and economic development	1,341,500	1,324,500	1,276,711	47,789
Public safety:				
Police	6,398,600	6,424,400	6,392,114	32,286
Highways and public improvements	929,200	854,200	812,797	41,403
Parks, recreation and public property	764,300	774,300	736,565	37,735
Community development	24,000	24,000	5,056	18,944
Debt service:				
Principal	565,000	565,000	565,000	-
Interest	150,700	150,700	150,730	(30)
Total expenditures	14,021,300	14,212,600	13,765,359	447,241
Excess (deficiency) of revenues over (under) expenditures	1,017,000	2,035,400	2,236,564	201,164
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	5,000	5,000	2,598	(2,402)
Transfers in	801,300	823,300	25,000	(798,300)
Transfers out	(1,823,300)	(2,863,700)	(2,219,756)	643,944
Net change in fund balance	$ -	$ -	44,406	$ 44,406
Fund balance at beginning of year			2,960,415	
Fund balance at end of year			$ 3,004,821	

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Redevelopment Agency
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 2,750,000	$ 3,185,600	$ 128,443	$ (3,057,157)
Intergovernmental	437,700	437,700	3,494,369	3,056,669
Interest income	4,900	4,900	6,744	1,844
Total revenues	3,192,600	3,628,200	3,629,556	1,356
EXPENDITURES				
Redevelopment	2,915,800	8,034,700	3,081,076	4,953,624
Administration	427,700	477,700	484,699	(6,999)
Debt service				
Principal	820,000	820,000	870,000	(50,000)
Interest	-	1,385,800	1,385,861	(61)
Total expenditures	4,163,500	10,718,200	5,821,636	4,896,564
Excess (deficiency) of revenues over (under) expenditures	(970,900)	(7,090,000)	(2,192,080)	4,897,920
OTHER FINANCING SOURCES				
Proceeds from sale of assets	-	3,100,000	2,932,028	(167,972)
Transfers in	1,683,000	4,752,100	355,745	(4,396,355)
Transfers out	(712,100)	(762,100)	(380,745)	381,355
Total other financing sources (uses)	970,900	7,090,000	2,907,028	(4,182,972)
Net change in fund balance	$ -	$ -	714,948	$ 714,948
Fund balance at beginning of year			1,133,823	
Fund balance at end of year			$ 1,848,771	

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Municipal Building Authority
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Lease and other revenue	$ 455,300	$ 455,300	$ 355,308	$ (99,992)
Interest income	20,000	20,000	9,395	(10,605)
Total revenues	475,300	475,300	364,703	(110,597)
EXPENDITURES				
Capital outlay	4,869,200	3,133,700	2,820,393	313,307
Debt service				
Principal	235,000	235,000	235,000	-
Interest	235,100	235,100	235,056	44
Total expenditures	5,339,300	3,603,800	3,290,449	313,351
Excess (deficiency) of revenues over (under) expenditures	(4,864,000)	(3,128,500)	(2,925,746)	202,754
OTHER FINANCING SOURCES				
Proceeds from bond issuance	96,900	96,900	-	(96,900)
Transfers in	4,767,100	3,091,600	-	(3,091,600)
Transfers out	-	(60,000)	(60,000)	-
Total other financing sources (uses)	4,864,000	3,128,500	(60,000)	(3,188,500)
Net change in fund balance	$ -	$ -	(2,985,746)	$ (2,985,746)
Fund balance at beginning of year			4,027,558	
Fund balance at end of year			$ 1,041,812	

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Net Position – Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds						
	Water	Sewer	Storm Water	Sanitation	Other Proprietary Funds	Total	Governmental Activities Internal Service Funds
ASSETS							
Current assets:							
Cash, cash equivalents, and investments							
Unrestricted	$ 3,284,425	$ 648,041	$ 299,157	$ 117,609	$ 330,365	$ 4,679,597	$ 1,460,089
Restricted (bond)	221,514	92,032	2,176,814	-	-	2,490,360	-
Receivables:							
Accounts, net	522,427	179,872	181,011	108,837	28,710	1,020,857	34,235
Contracts	-	-	-	-	15,780	15,780	-
Inventory	38,097	-	-	-		38,097	5,622
Total current assets	4,066,463	919,945	2,656,982	226,446	374,855	8,244,691	1,499,946
Noncurrent assets:							
Contracts receivable	-	-	-	-	208,290	208,290	-
Intangible asset - South Valley Water Reclamation	-	3,333,105	-	-	-	3,333,105	-
Investment in Trans-Jordan Cities Landfill	-	-	-	1,121,988	-	1,121,988	-
Notes receivable, less allowance for doubtful accounts	-	-	-	-	307,484	307,484	-
Net pension asset	344	190	327	18	4	883	44
Capital assets:							
Land	115,062	-	-	-	-	115,062	-
Water stock	3,081,299	-	-	-	-	3,081,299	-
Construction in progress	1,530,641	-	161,245	-	-	1,691,886	37,724
Buildings, net	1,989,581	-	1,898,916	-	-	3,888,497	-
Improvements, net	25,149,548	3,678,544	3,635,702	-	-	32,463,794	-
Automobiles, net	-	-	-	-	-	-	543,980
Machinery and equipment, net	50,212	-	7,177	-	-	57,389	453,428
Total noncurrent assets	31,916,687	7,011,839	5,703,367	1,122,006	515,778	46,269,677	1,035,176
Total assets	35,983,150	7,931,784	8,360,349	1,348,452	890,633	54,514,368	2,535,122
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	35,855	19,757	34,026	1,829	366	91,833	4,756
Total deferred outflows of resources	35,855	19,757	34,026	1,829	366	91,833	4,756

(Continued)

MIDVALE CITY CORPORATION
Statement of Net Position – Proprietary Funds (Continued)
June 30, 2015

	Business-type Activities - Enterprise Funds						
	Water	Sewer	Storm Water	Sanitation	Other Proprietary Funds	Total	Governmental Activities Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	$ 772,814	$ 151,083	$ 355,377	$ 67,144	$ 13,968	$ 1,360,386	$ 87,768
Accrued liabilities	30,476	6,649	8,266	-	-	45,391	7,192
Compensated absences	34,653	7,681	30,543	-	-	72,877	5,097
Accrued interest payable	202,388	18,639	33,872	-	-	254,899	-
Notes payable	-	-	15,000	-	-	15,000	-
Bonds payable	736,200	122,800	300,000	-	-	1,159,000	-
Total current liabilities	1,776,531	306,852	743,058	67,144	13,968	2,907,553	100,057
Noncurrent liabilities:							
Compensated absences	8,664	1,920	7,636	-	-	18,220	1,275
Deposits held	56,441	-	-	-	-	56,441	-
Notes payable	-	-	60,000	-	212,867	272,867	-
Bonds payable	14,735,600	2,026,400	4,909,000	-	-	21,671,000	-
Unamortized bond premium	139,233	11,721	-	-	-	150,954	-
Net pension liability	156,307	86,128	148,332	7,975	1,595	400,337	20,735
Total noncurrent liabilities	15,096,245	2,126,169	5,124,968	7,975	214,462	22,569,819	22,010
Total liabilities	16,872,776	2,433,021	5,868,026	75,119	228,430	25,477,372	122,067
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	20,447	11,267	19,404	1,043	209	52,370	2,712
Total deferred inflows of resources	20,447	11,267	19,404	1,043	209	52,370	2,712
NET POSITION							
Net investment in capital assets	16,305,310	1,517,623	2,595,854	-	-	20,418,787	1,035,132
Unrestricted	2,820,472	3,989,630	(88,909)	1,274,119	662,360	8,657,672	1,379,967
Total net position	$ 19,125,782	$ 5,507,253	$ 2,506,945	$ 1,274,119	$ 662,360	$ 29,076,459	$ 2,415,099

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds						
	Water	Sewer	Storm Water	Sanitation	Other Proprietary Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES							
Charges for services	$ 3,966,808	$ 1,501,151	$ 1,531,045	$ 1,010,970	$ 261,880	$ 8,271,854	$ 650,200
Other	300,687	2,601	101,121	-	20,195	424,604	92,294
Total operating revenues	4,267,495	1,503,752	1,632,166	1,010,970	282,075	8,696,458	742,494
OPERATING EXPENSES							
Salaries and wages	391,133	215,730	373,615	21,800	-	1,002,278	51,501
Employee benefits	272,257	42,002	130,844	(1,217)	-	443,886	16,222
Administration	658,929	265,626	331,796	99,117	302,891	1,658,359	134,909
Supplies	614	6,118	15,283	-	-	22,015	86,414
Repairs and maintenance	141,966	49,500	85,900	-	-	277,366	11,023
Waste disposal	-	-	27,377	799,213	-	826,590	-
Purchase/treatment:							
Water	1,016,798	-	-	-	-	1,016,798	-
Sewer	-	873,780	-	-	-	873,780	-
Street lighting	-	-	-	-	123,938	123,938	-
Telecommunications	-	-	-	-	825,907	825,907	-
Depreciation	900,761	86,035	105,242	-	-	1,092,038	169,201
Total operating expenses	3,382,458	1,538,791	1,070,057	918,913	1,252,736	8,162,955	469,270
Operating income (loss)	885,037	(35,039)	562,109	92,057	(970,661)	533,503	273,224
NON-OPERATING REVENUES (EXPENSES)							
Interest income	33,854	132	11,613	115	1,933	47,647	11,965
Interest expense	(610,934)	(76,277)	(111,846)	-	-	(799,057)	-
Gain on equity investment	-	-	-	12,840	-	12,840	-
Intergovernmental subsidy	117,632	-	-	-	-	117,632	-
Gain on disposal of equipment	-	-	-	-	-	-	53,255
Total nonoperating revenues (expenses)	(459,448)	(76,145)	(100,233)	12,955	1,933	(620,938)	65,220
Income before transfers	425,589	(111,184)	461,876	105,012	(968,728)	(87,435)	338,444
Transfers in	-	-	-	-	1,100,000	1,100,000	213,700
Transfers out	(121,600)	-	(61,300)	-	-	(182,900)	-
Change in net position	303,989	(111,184)	400,576	105,012	131,272	829,665	552,144
Total net position - beginning (as restated)	18,821,793	5,618,437	2,106,369	1,169,107	531,088	28,246,794	1,862,955
Total net position - ending	$ 19,125,782	$ 5,507,253	$ 2,506,945	$ 1,274,119	$ 662,360	$ 29,076,459	$ 2,415,099

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds						
	Water	Sewer	Storm Water	Sanitation	Other Proprietary Funds	Total	Governmental Activities Internal Service Funds
Cash flows from operating activities							
Receipts from customers	$ 4,213,859	$ 1,459,023	$ 1,556,184	$ 1,013,879	$ 275,838	$ 8,518,783	$ 708,259
Receipts from interfund services	-	-	-	-	-	-	-
Payments to suppliers	(950,988)	(860,079)	(122,557)	(806,044)	(1,290,812)	(4,030,480)	(54,467)
Payments for interfund services	(422,200)	(173,200)	(271,500)	(89,500)	-	(956,400)	(134,909)
Payments to employees	(689,628)	(267,605)	(536,820)	(21,801)	-	(1,515,854)	(67,555)
Net cash provided (used) by operating activities	2,151,043	158,139	625,307	96,534	(1,014,974)	2,016,049	451,328
Cash flows from noncapital financing activities							
Increase in contracts receivable	-	-	-	-	(2,726)	(2,726)	-
Increase in notes receivable	-	-	-	-	(113,884)	(113,884)	-
Transfers (to) from other funds	(121,600)	-	(61,300)	-	1,100,000	917,100	213,700
Net cash provided (used) by noncapital financing activities	(121,600)	-	(61,300)	-	983,390	800,490	213,700
Cash flows from capital and related financing activities							
Purchase of capital assets	(1,088,347)	-	(2,245,791)	-	-	(3,334,138)	(559,846)
Proceeds from sale of capital assets	-	-	-	-	-	-	53,255
Proceeds from issuance of debt	-	-	-	-	14,294	14,294	-
Principal paid on capital debt	(708,800)	(119,200)	(173,000)	-	-	(1,001,000)	-
Interest and fees paid on capital debt	(628,265)	(77,939)	(100,269)	-	-	(806,473)	-
Intergovernmental bond interest subsidy	117,632	-	-	-	-	117,632	-
Net cash provided (used) by capital and related financing activities	(2,307,780)	(197,139)	(2,519,060)	-	14,294	(5,009,685)	(506,591)
Cash flows from investing activites							
Interest received	33,854	132	11,613	115	1,933	47,647	11,965
Net cash provided by investing activities	33,854	132	11,613	115	1,933	47,647	11,965
Net increase (decrease) in cash and cash equivalents	(244,483)	(38,868)	(1,943,440)	96,649	(15,357)	(2,145,499)	170,402
Cash and cash equivalents, beginning of year	3,750,422	778,941	4,419,411	20,960	345,722	9,315,456	1,289,687
Cash and cash equivalents, end of year	$ 3,505,939	$ 740,073	$ 2,475,971	$ 117,609	$ 330,365	$ 7,169,957	$ 1,460,089
Unrestricted cash	$ 3,284,425	$ 648,041	$ 299,157	$ 117,609	$ 330,365	$ 4,679,597	$ 1,460,089
Restricted cash	221,514	92,032	2,176,814	-	-	2,490,360	-
	$ 3,505,939	$ 740,073	$ 2,475,971	$ 117,609	$ 330,365	$ 7,169,957	$ 1,460,089

(Continued)

MIDVALE CITY CORPORATION
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds						
	Water	Sewer	Storm Water	Sanitation	Other Proprietary Funds	Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	$ 885,037	$ (35,039)	$ 562,109	$ 92,057	$ (970,661)	$ 533,503	$ 273,224
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	900,761	86,035	105,242	-	-	1,092,038	169,201
Changes in assets and liabilities:							
Accounts receivable	(99,299)	(44,729)	(75,982)	2,909	(4,917)	(222,018)	(34,235)
Inventory	(2,629)	-	-	-	-	(2,629)	(5,622)
Contracts receivable	45,663	-	-	-	(1,320)	44,343	-
Accounts payable	473,549	155,096	66,299	2,786	(38,076)	659,654	48,592
Accrued liabilities	(23,021)	(3,224)	(32,361)	(1,218)	-	(59,824)	168
Customer deposits	(29,018)	-	-	-	-	(29,018)	-
Net cash provided (used) by operating activities	$ 2,151,043	$ 158,139	$ 625,307	$ 96,534	$ (1,014,974)	$ 2,016,049	$ 451,328

The accompanying notes are an integral part of this financial statement.

MIDVALE CITY CORPORATION
Notes to the Financial Statements
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of Midvale City Corporation ("the City") have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Midvale City Corporation was incorporated in 1909. The City operates under a Mayor / Council form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The component units discussed below are included as part of the City's reporting entity as blended component units.

Component Units

The Midvale City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Midvale City Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by a five-member board of trustees composed of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. The MBA is included in these financial statements as the Municipal Building Authority Special Revenue Fund. Separate financial statements are not issued for the MBA.

The Communities Building Communities ("CBC") is a non-profit organization established for the benefit of the local community. The CBC was formed to provide health care and drug abstinence programs for residents of the surrounding community. The City provides manpower and contributes resources in support of the CBC. The CBC is financed significantly by federal grants. The City Council does not have substantial direct control, nor can it impose its will upon the CBC. However, the Mayor sits on the Board of the CBC, the CBC leases personal services from the City; specifically, its Executive Director and Community Development Assistant, and the CBC directly serves the Midvale population. Therefore, the CBC has been included as a discretely presented component unit in this report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Governmental funds do not report donated capital assets received unless the sale of those assets is imminent. The assets are reported in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Justice Court fines assessed prior to year-end and collected within 60 days are recognized as revenues in the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by enterprise funds).

The Redevelopment Agency Special Revenue Fund is used to account for financial resources to be used for the revitalization of blighted areas within the City.

The Municipal Building Authority Special Revenue Fund is used to account for financial resources to be used for the design and construction of capital assets for the benefit of the City.

The City reports the following major proprietary funds:

The Public Utilities Fund accounts for the activities of the City's water distribution system and sewer operations. The activities of the water and sewer operations are reported separately in this financial report.

The Storm Water Utility Fund accounts for the activities of the City's storm water operations.

The Sanitation Fund accounts for the activities of the City's sanitation collection operations.

Additionally, the City reports the following funds types:

Special Revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. The City accounts for the Communities Building Communities fund as a discretely presented component unit, beginning July 1, 2013.

The Internal Service Funds account for fleet management services provided to other departments or agencies of the government, on a cost reimbursement basis, and maintenance of information technology hardware and software.

The Street Lighting Fund (proprietary fund) accounts for the activities of the City's street lighting services. The Telecom Fund (proprietary fund) accounts for the activities of the City's UTOPIA operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise finds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses**.**

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash, Deposits and Investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds".

Other receivables at June 30, 2015, consist of property tax, franchise tax, sales tax, grants, fines, and accounts (billings for user charged services, including unbilled utility services). Taxes, grants and fines are deemed collectible in full. The allowance for doubtful proprietary account receivables at June 30, 2015 is $8,000.

Inventory

Inventory represents mainly supplies and parts used for various water fund projects.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 to 50 years
Infrastructure	10 to 40 years
Improvements other than buildings	20 to 30 years
Machinery and equipment	5 to 30 years

Compensated Absences

For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay amounts are charged to expenditures when incurred. At the end of the first full pay period in January, 50% of accrued sick leave in excess of 480 hours will be contributed to the employee's retirement health savings plan. After this contribution, employees may convert 25 percent of remaining accrued sick leave in excess of 240 hours to vacation leave. Employees may carry a maximum of 160 hours of vacation leave forward to the next calendar year; the balance of unused vacation leave is forfeited. Unused vacation leave and comp time is paid to the employee upon termination.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is therefore deferred until that time.

Governmental funds report revenue that is unavailable as deferred inflows of resources. Governmental funds report unavailable revenue from property taxes and from court fines. These amounts are deferred and recognized as revenue in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is therefore deferred until that time. No deferred outflows of resources were recorded at June 30, 2015.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, and discounts are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: Committed, assigned, and then unassigned.

Nonspendable fund balance cannot be spent because it is not in spendable form. An example of nonspendable fund balance is inventory. Restricted fund balance has restrictions imposed by parties outside of the primary government. Committed fund balance represents funds restricted for a specific use by resolution of the Midvale City Council. Assigned fund balance is earmarked for certain purposes without formal resolution of the City Council. Finally, any remaining fund balance is unassigned and available for unrestricted use.

Restricted Assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	$ 127,491,572
Accumulated depreciation	(35,360,573)
Total difference	$ 92,130,999

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2015 were:

General obligation bonds	$ 1,800,000
Excise tax revenue bonds	1,140,000
Lease revenue bonds	32,505,000
Note payable	75,000
Bond issuance premiums	200,038
Compensated absences	351,079
Total difference	$ 36,071,117

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences between Governmental Fund Operating Statements and the Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

Capital outlay	$ 4,350,028
Depreciation expense	(2,316,568)
Net difference, as reported	$ 2,033,460

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

On or before the first regularly scheduled Council meeting in May, the City Recorder submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1 and June 22, the City Council reviews and adjusts the proposed budget. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution. If a property tax increase is anticipated, adoption of the budget is delayed until August in order to comply with the state's truth-in-taxation requirements.

After the budget is adopted, the City Manager may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The City Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund.

When the City Council determines that an emergency exists, such as widespread damage from fire, flood, or earthquake, the Mayor's declaration of an emergency allows for necessary spending for immediate needs.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund. For Capital Projects Funds, budgets are adopted and control is exercised at the project level.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Annual budgets for the General Fund, all Special Revenue Funds, and all Capital Projects Funds were legally adopted by the City and are prepared on the modified-accrual method of accounting.

Encumbrances (commitments related to unperformed purchase orders or contracts for goods or services) are used only as an internal management control device during the year. The City does not have any encumbrances outstanding at year end since appropriations lapse at year end. However, encumbered amounts are generally re-appropriated and honored as part of the following year's budget.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

Tax Revenues

Property taxes are collected by the Salt Lake County Treasurer and remitted to the City in five to six installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material. An accrual for current year property taxes estimated to be collected the following November and December is made each year.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has been made for fees due and payable to the City at June 30th.

4. DETAILED NOTES FOR ALL FUNDS

Cash and Investments

Deposits and investments for the City are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the City's exposure to various risks related to its cash management activities.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. At times during the year, the City's bank balances may have exceeded the insured levels under FDIC guidelines.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The City invests with the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balances.

The City also has investments managed by Moreton Asset Management, LLC. Moreton Asset Management, LLC, an investment advisor approved by the Utah State Treasurer, invests City money in compliance with the Utah Money Management Act.

The City has investments held by a trustee in a money market mutual fund (MMMF). The mutual fund invests exclusively in the United States government securities. The City also has investments in an overnight international sweep account.

As of June 30, 2015, the City had the following investments and maturities:

		Investment Maturities (in years)			
Investment Type	**Fair Value**	**Less than 1**	**1 to 5**	**6 to 10**	**More than 10**
PTIF	$ 5,545,351	$ 5,545,351	$ -	$ -	$ -
Corporate Bonds	1,952,809	952,258	1,000,551	-	-
U.S. Government Bonds	306,537	-	306,537	-	-
Agency Bonds	1,701,025	-	1,701,025	-	-
Commercial Paper	99,986	-	99,986	-	-
MMMF	402,529	402,529	-	-	-
International Sweep	310,206	310,206	-	-	-
	$ 10,318,443	$ 7,210,344	$ 3,108,099	$ -	$ -

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Credit Risk (Continued)

At June 30, 2015, the City had the following investments and quality ratings:

		S&P Rating				
Investment Type	**Fair Value**	**AA+**	**A**	**A-**	**BBB+**	**Unrated**
PTIF	$ 5,545,351	$ -	$ -	$ -	$ -	$ 5,545,351
Corporate Bonds	1,952,809	-	250,016	1,394,200	308,593	-
U.S. Government Bonds	306,537	306,537	-	-	-	-
Agency Bonds	1,701,025	1,701,025	-	-	-	-
Commercial Paper	99,986	-	-	99,986	-	-
MMMF	402,529	-	-	-	-	402,529
International Sweep	310,206	-	-	-	-	310,206
	$ 10,318,443	$ 2,007,562	$ 250,016	$ 1,494,186	$ 308,593	$ 6,258,086

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

The deposits and investments described above are included on the government-wide statement of net position as follows:

Cash and cash equivalents	$ 12,958,606
Restricted cash	3,373,442
	$ 16,332,048

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Receivables

Receivables as of June 30, 2015 for the City's individual major funds and non-major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental and Internal Service Funds

	General	RDA	Internal Service
Receivables:			
Taxes	$ 2,333,876	$ 164,837	$ -
Accounts and other	32,739	-	34,235
Court fines	973,194	-	-
Intergovernmental	596,207	-	-
Gross receivables	3,936,016	164,837	34,235
Less: allowance for uncollectibles	-	-	-
Net total receivables	$ 3,936,016	$ 164,837	$ 34,235

Business-type Funds

	Water	Sewer	Storm Water	Sanitation	Nonmajor Funds	Total
Receivables:						
Accounts	$ 522,427	$ 179,872	$ 187,011	$ 110,837	$ 28,710	$ 1,028,857
Contracts	-	-	-	-	15,780	15,780
Gross receivables	522,427	179,872	187,011	110,837	44,490	1,044,637
Less: allowance for uncollectibles	-	-	(6,000)	(2,000)	-	(8,000)
Net total receivables	$ 522,427	$ 179,872	$ 181,011	$ 108,837	$ 44,490	$ 1,036,637

Land Held for Resale

Land acquired by the Redevelopment Agency (a special revenue fund) and held for resale is accounted for as land held for resale. The cost of land held for resale is held as inventory until the land is sold. Land transferred from infrastructure assets of the City is recorded at a nominal amount for accountability purposes. When the Redevelopment Agency sells land, the proceeds are recorded as revenue at an amount greater than or less than the carrying amount, the resulting gain/loss is accounted for as another financing source/use. Revenue on sale of land held for resale is recognized when measurable and available.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the government funds were as follows:

	Unavailable	Unearned
Property taxes receivable (General Fund)	$ 1,135,927	-
Court fines receivable (General Fund)	910,061	-
Total deferred/unearned revenue for governmental funds	$ 2,045,988	$ -

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	07/01/14	Increases	Decreases	06/30/15
Governmental activities				
Capital assets, not depreciated:				
Land	$ 60,207,533	$ -	$ -	$ 60,207,533
Construction in progress	6,516,736	511,754	(6,516,736)	511,754
Total capital assets, not depreciated	66,724,269	511,754	(6,516,736)	60,719,287
Capital assets, depreciated:				
Buildings	6,814,382	7,207,583	-	14,021,965
Improvements other than buildings	696,498	661,720	-	1,358,218
Infrastructure	47,734,816	1,955,904	-	49,690,720
Machinery and equipment	3,674,594	1,089,649	(102,851)	4,661,392
Total capital assets, depreciated	58,920,290	10,914,856	(102,851)	69,732,295
Accumulated depreciation:				
Buildings	(2,255,912)	(247,476)	-	(2,503,388)
Improvements other than buildings	(167,540)	(33,744)	-	(201,284)
Infrastructure	(29,792,018)	(1,921,700)	-	(31,713,718)
Machinery and equipment	(2,687,063)	(282,849)	102,851	(2,867,061)
Total accumulated depreciation	(34,902,533)	(2,485,769)	102,851	(37,285,451)
Total capital assets, depreciated (net)	24,017,757	8,429,087	-	32,446,844
Net governmental capital assets	$ 90,742,026	$ 8,940,841	$ (6,516,736)	$ 93,166,131

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

	07/01/14	Increases	Decreases	06/30/15
Business-type activtities				
Capital assets, not depreciated:				
Water stock and rights	$ 3,081,299	$ -	$ -	$ 3,081,299
Land	115,062	-	-	115,062
Construction in progress	1,052,775	1,211,164	(572,053)	1,691,886
Total capital assets, not depreciated	4,249,136	1,211,164	(572,053)	4,888,247
Capital assets, depreciated:				
Buildings	2,273,627	1,900,999	-	4,174,626
Improvements other than buildings				
Water	33,145,245	6,556	-	33,151,801
Sewer	4,255,255	-	-	4,255,255
Infrastructure	4,255,334	748,339	-	5,003,673
Machinery and equipment	189,457	39,133	(31,379)	197,211
Total capital assets, depreciated	44,118,918	2,695,027	(31,379)	46,782,566
Accumulated depreciation:				
Buildings	(228,653)	(57,476)	-	(286,129)
Improvements other than buildings				
Water	(7,170,707)	(831,546)	-	(8,002,253)
Sewer	(490,676)	(86,035)	-	(576,711)
Infrastructure	(1,264,896)	(103,075)	-	(1,367,971)
Machinery and equipment	(157,295)	(13,906)	31,379	(139,822)
Total accumulated depreciation	(9,312,227)	(1,092,038)	31,379	(10,372,886)
Total capital assets, depreciated (net)	34,806,691	1,602,989	-	36,409,680
Net business-type capital assets	$ 39,055,827	$ 2,814,153	$ (572,053)	$ 41,297,927

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:		
General government	$	231,685
Public safety		80,046
Highways and public improvements		2,097,570
Parks, recreation, and public property		76,468
Total depreciation expense - governmental activities	$	2,485,769
Business-type activities:		
Water	$	900,761
Storm water		105,242
Sewer		86,035
Total depreciation expense - business-type activities	$	1,092,038

Investments In and Advances to Joint Ventures and Intangible Assets

South Valley Water Reclamation Facility

The Sewer fund has an investment in the South Valley Water Reclamation Facility (SVWRF), which is accounted for by the cost method. During 2013, the City, in discussion with other SVWRF members, changed the accounting for this investment from the equity method to the cost method. It was determined that no additional future capital contributions for expansion will be necessary, and no residual income will result from the investment. A prior period adjustment in the amount of $1,568,761 was recorded in 2013 to increase the investment in SVWRF in the Sewer fund, which brings the total investment to $3,333,105. This amount represents the City's cumulative capital contributions.

SVWRF, a separate legal entity and political subdivision of the State of Utah, was formed pursuant to the provisions of the Interlocal Cooperation Act. SVWRF's membership is comprised of two municipalities and three suburban sanitary improvement districts. In addition to the City, the members consist of West Jordan City, South Valley Sewer District, Sandy Suburban Improvement District and Midvalley Improvement District. SVWRF was formed to construct, operate and maintain a regional sewage treatment facility.

In July 2005, the Facility issued Utah Sewer Revenue Bonds, Series 2005 for $19,425,000. Annual principal payments began August 15, 2006, semiannual interest payments began on February 15, 2006 and are scheduled to be made February 15 and August 15 each year until maturity, at an interest rate of 3.50% to 5.00%. The bonds mature on August 15, 2030. The proceeds from the sale of the Series 2005 Bonds are being used to (i) finance a portion of the costs of construction of certain improvements to the Facility, including the expansion of the capacity of the sewer treatment plant, and (ii) pay certain costs associated with the issuance of the Series 2005 bonds.

The total debt service for the issued bonds is for two entities' (Midvale and West Jordan) obligation for their share of the expansion of the treatment plant. These two entities are billed monthly for principal and interest obligations for their share of debt service requirements. Midvale City's share of the principal balance at June 30, 2015 is $1,807,000.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

The Midvale City Council approved, by resolution, recognition of the obligation for the 2005 sewer revenue bonds issued by SVWRF and to appropriate and pay the debt service obligations.

SVWRF is governed by its board of directors. Under the organization agreement, each of the five members is entitled to appoint one of SVWRF's five directors. The management is under the Board of Directors, which elects officers and appoints the management staff.

The complete financial statements for South Valley Water Reclamation Facility for the year ended December 31, 2014 can be obtained from the South Valley Water Reclamation Facility at 7495 South 1300 West, West Jordan, UT 84084.

Trans-Jordan Cities Landfill

At June 30, 2015, the Sanitation fund had a 5.16% ownership in the Trans-Jordan Cities Landfill, which is accounted for by the equity method. In addition to Midvale City, the Trans-Jordan Cities Landfill is owned by the cities of Murray, Sandy, South Jordan, West Jordan, Draper, and Riverton which own 8.42%, 29.95%, 13.77%, 21.70%, 10.25%, and 10.75% of the landfill, respectively. Trans-Jordan Cities Landfill is a separate legal entity and political subdivision of the State of Utah and was formed pursuant to the provisions of the Interlocal Cooperation Act. The City has no firm commitment to make additional equity investments in the Trans-Jordan Cities Landfill.

Trans-Jordan Cities Landfill was formed to construct, operate and maintain a refuse dumping facility. Trans-Jordan is governed by its Board of Directors. Under the organization agreement, the board of directors is appointed by the members. The management is under the board of directors, which elects officers and appoints the management staff. During the year ended June 30, 2015, the City contributed capital of $0, recorded a $12,840 gain in equity of joint venture, and increased its participating interest by the same amount, resulting in a corresponding increase in its investment of the facility.

The complete financial statements for Trans-Jordan Cities Landfill for the year ended June 30, 2015 can be obtained from the Trans-Jordan Landfill offices, 10873 South 7200 West, South Jordan, UT 84095.

InterLocal Agreements

Valley Emergency Communications Center

The City is a member of Valley Emergency Communications Center (the Center). The Center was organized June 30, 1988, as a joint enterprise between the City, Murray City, Salt Lake County, Sandy City, South Jordan City, West Jordan City and West Valley City. The primary purpose of the Center is to fund and operate a communications center which handles communications and other services for the members, including police, fire, 911 service, dispatch and records services.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

InterLocal Agreements (Continued)

The Center is governed by a Board of Trustees consisting of one representative from each member appointed by the governing body thereof. The Center's activities are funded by a surcharge tax on telephones within each member's city and member assessments. The Board of Trustees sets assessments for all member agencies in amounts sufficient to provide the funds required by the annual budget. The Center determines the 911 assessments for the telephone users within the member's jurisdictions.

Separate audited financial statements for Valley Emergency Communications Center may be obtained from the Finance Director at 5360 South 5885 West, West Valley City, UT 84118.

Utah Telecommunications Open Infrastructure Network

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Network (UTOPIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate and maintain an open, wholesale, public Telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA is jointly owned by the members. No equity investment has been recorded by the City since UTOPIA continues to report a net assets deficit. As of June 30, 2015, the net position deficit was $177,863,318.

The City is a pledging member and has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In July 2008, UTOPIA issued $185,000,000 in revenue bonds. The first two years of bond payments were made from a debt reserve fund. In December 2011, UTOPIA refinanced the bond. From that point on, until the bonds are due in July 2026, net revenues from UTOPIA will reimburse the debt service reserve fund for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the 11 pledged members are required to reimburse the UTOPIA debt service fund of any shortfall by their respective percentages up to a specific dollar amount. Any amount paid by Pledging Members to UTOPIA to reimburse the debt service reserve fund will be a loan to be repaid by UTOPIA.

The City's annual commitment increases by 2% each year, and ranges from $823,363 in Fiscal Year 2015 to $1,329,152 in Fiscal Year 2040.

A note receivable was recorded in the telecom fund during 2012, with an offsetting allowance for doubtful accounts. The balance was $4,589,782 as of June 30, 2015. It is currently unclear if or when UTOPIA will be in position to repay the note.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Utah Infrastructure Agency

The City is one of eight member cities of the Utah Infrastructure Agency (UIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. The UIA was established on July 6, 2010, for the purpose of financing, constructing, equipping, and operating an open, wholesale, advanced communications infrastructure utility system throughout the City and interconnection with other members of the UIA. The UIA has issued debt of approximately $31 million. The City pledged sales and use tax revenue toward its share of any debt service fund shortfall. The anticipated pledge amount is 6.60% of the annual debt service fund shortfall. Any bonds or debt issued or incurred by UIA will not constitute debt of the City. As of June 30, 2015, the net position was $587,559.

Unified Police Department (UPD)

The UPD is a Police Department, run by the Salt Lake County Sherriff that serves the following Salt Lake County entities: City of Holladay, Riverton City, Herriman City, Taylorsville City, Midvale City, and the unincorporated areas of Salt Lake County. The UPD allows communities to have comprehensive police services at a lower cost. By combining a variety of police services such as SWAT, forensics, records, canine, and media services under one organization, communities can share the costs with other communities, saving local governments and reducing the tax burden of citizens.

The UPD is run by a Board of Directors consisting of elected officials from the communities served. Day-to-day operations are run by the Sheriff. In addition to managing shared services, the Sheriff oversees local precincts, each with its own Chief who is chosen by each respective community. Chiefs run each local precinct and have authority over local operations such as Community Oriented Policing, traffic, patrol, and crossing guards. This flexible structure allows participating communities to take advantage of the cost savings and efficiencies of pooled services while retaining local control over precinct-level operations.

The annual budget for the UPD is formally adopted by the UPD Board of Directors, of which the Midvale City Mayor is a full member with full voting rights.

Interfund Receivable, Payables and Transfers

At June 30, 2015, no interfund balances remained. Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2015 were as follows:

Fund Transferring Out	Fund Receiving Transfer	Amount
General fund	Capital projects fund	$ 1,088,956
General fund	Nonmajor enterprise fund	1,100,000
General fund	Internal service fund	30,800
Redevelopment Agency	General fund	25,000
Municipal Building Authority	Capital projects fund	60,000
Water enterprise fund	Internal service fund	121,600
Storm Water enterprise fund	Internal service fund	61,300
		$ 2,487,656

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and are pledged by the full faith and credit of the City. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount at 6/30/15
Public Safety Series 2005	$ 3,370,000	$20,000 to $395,000	3.00% to 5.00%	9/15/2019	$ 1,800,000
	$ 3,370,000				$ 1,800,000

General obligation bond debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2016	$ 330,000	$ 74,778	$ 404,778
2017	340,000	60,140	400,140
2018	360,000	44,340	404,340
2019	375,000	25,965	400,965
2020	395,000	8,295	403,295
	$ 1,800,000	$ 213,518	$ 2,013,518

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2015 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount at 6/30/15
RDA Revenue Series 2010B (BAB)	$ 23,750,000	$900,000 to $1,730,000	4.01% to 6.25%	5/1/2034	$ 23,750,000
MBA Revenue Series 2012	8,990,000	$235,000 to $520,000	2.000% to 3.500%	10/1/2038	8,755,000
Excise Tax Series 2009	2,335,000	$225,000 to $300,000	4.00% to 5.00%	4/15/2019	1,140,000
Water and Sewer Series 2007B	6,650,000	$150,000 to $435,000	3.80% to 5.00%	10/1/2032	5,445,000
Water and Sewer Series 2007C	5,050,000	$208,000 to $303,000	2.00%	10/1/2029	3,968,000
Water and Sewer Series 2010A	1,555,000	$290,000 to $335,000	2.00% to 4.00%	10/1/2015	335,000
Water and Sewer Series 2010B (BAB)	6,595,000	$345,000 to $565,000	4.01% to 6.09%	10/1/2030	6,595,000
Water and Sewer Series 2012	1,537,000	$86,000 to $124,000	2.900%	4/1/2027	1,278,000
Water and Sewer Series 2013	2,552,000	$143,000 to $200,000	2.420%	10/1/2028	2,409,000
Water and Sewer Series 2014	2,800,000	$153,000 to $224,000	2.770%	10/1/2029	2,800,000
	$ 61,814,000				$ 56,475,000

Build America Bonds ("BAB") are federally taxable but the City receives a subsidy from the Internal Revenue Service equal to 27.7% of the interest paid.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds (Continued)

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2016	$ 2,574,000	$ 2,477,320	$ 5,051,320
2017	2,850,000	2,384,085	5,234,085
2018	2,941,000	2,282,397	5,223,397
2019	3,016,000	2,171,992	5,187,992
2020	2,796,000	2,056,990	4,852,990
2021 -2025	15,032,000	8,681,868	23,713,868
2026 -2030	15,911,000	5,186,746	21,097,746
2031 -2035	9,895,000	1,529,080	11,424,080
2036 -2039	1,460,000	104,259	1,564,259
	$ 56,475,000	$ 26,874,737	$ 83,349,737

Notes Payable

The City entered into a note payable agreement with Salt Lake County for $300,000 during 2011, payable over 10 years with annual payments of $30,000. The note bears no interest. The note represents the City's portion of a storm drain capital project completed during 2011. The City recorded $150,000 of the obligation in both the RDA and Storm Drain funds.

The City also entered into a service contract note payable with UIA, wherein the City will bill and collect connection service fees from end users of UTOPIA located in the City on behalf of UIA. The City is entitled to 5% of the fee for administrative costs and the remaining 95% is due to UIA. The City becomes a signatory party to the end user agreement, along with UIA and the end user. The City is responsible for collection of the user fees stipulated in the agreement should the end user default. At June 30, 2015, the note payable balance for services fees collected was $212,867. During 2012, the City created an enterprise fund (telecom) to account for the activity of this service contract.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	07/01/14	Increases	Decreases	06/30/15	Due in One Year
Governmental activities					
Bonds payable:					
Excise tax revenue	$ 1,390,000	$ -	$ (250,000)	$ 1,140,000	$ 275,000
Lease revenue	33,610,000	-	(1,105,000)	32,505,000	1,140,000
General obligation	2,115,000	-	(315,000)	1,800,000	330,000
Add: unamortized premiums and discounts	225,716	-	(25,678)	200,038	-
Total bonds payable	37,340,716	-	(1,695,678)	35,645,038	1,745,000
Note payable	90,000	-	(15,000)	75,000	15,000
Compensated absences	296,792	304,626	(243,967)	357,451	280,862
Governmental activities, long-term liabilities	$ 37,727,508	$ 304,626	$ (1,954,645)	$ 36,077,489	$ 2,040,862
Business-type activities					
Bonds payable:					
Water and Sewer	$ 23,801,000	$ -	$ (971,000)	$ 22,830,000	$ 1,159,000
Add: unamortized premium	160,176	-	(9,222)	150,954	-
Total bonds payable	23,961,176	-	(980,222)	22,980,954	1,159,000
Notes payable	314,024	16,948	(43,105)	287,867	15,000
Compensated absences	95,522	39,123	(43,548)	91,097	72,877
Business-type activities, long-term liabilities	$ 24,370,722	$ 56,071	$ (1,066,875)	$ 23,359,918	$ 1,246,877

Compensated absences for governmental activities are generally liquidated by the general fund.

Other Information

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Utah Local Government Insurance Trust (Trust), a public entity risk pool to manage its risk of loss. The City pays an annual premium to the trust for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. As of June 30, 2015 there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2015 which exceeded its insurance coverage.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information (Continued)

Redevelopment Agency

In connection with the activities of the Redevelopment Agency (RDA), intergovernmental revenues from property tax increments of other governmental entities totaling $3,057,153 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2015, funds expended by the RDA were limited to the categories of redevelopment, administration costs, and debt service. Administrative costs totaled $484,699, disbursements to developers totaled $3,081,076, and debt service costs totaled $2,255,861. The redevelopment cost was funded with unspent bond proceeds from a prior year issuance.

Employee Retirement Systems and Pension Plans

General Information about the Pension Plan

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System): a multiple employer, cost-sharing, public employee retirement systems.

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System): is a multiple employer, cost-sharing, public employee retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 Retirement System.

The URS is established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. URS defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of URS under the direction of the Board, whose members are appointed by the Governor. URS is composed of fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions

As a condition of participation in URS, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates for the reporting period were as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
111- Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	N/A	18.470%

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a net pension asset of $3,514 and a net pension liability of $1,594,967.

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.3673148%	$ -	$ 1,594,967
Tier 2 Public Employees System	0.1159186%	3,514	-
Total Net Pension Asset / Liability		$ 3,514	$ 1,594,967

For the year ended December 31, 2014, the City recognized pension expense of $404,147. At June 30, 2015, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 52,075
Changes in assumptions	-	156,566
Net difference between projected and actual earnings on pension plan investments	36,367	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	329,500	-
Total	$ 365,867	$ 208,641

The $329,500 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year ended June 30, 2015, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	$ (42,619)
2016	(42,619)
2017	(42,619)
2018	(40,575)
2019	(614)
Thereafter	(3,226)

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the following table:

Retired Member Mortality
Class of Member
Local Government, Public Employees
Men RP 2000mWC (100%)
Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF = Constructed mortality tabled based on actual experience of female educators multiplied by given percentage
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2009 - December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term Expected Portfolio Real Rate of Return**
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.75%
	Expected arithmetic nominal return		7.98%

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

The 7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent and a real return of 4.75 percent that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of			
Net pension (asset) / liability	$ 3,852,785	$ 1,591,454	$ (290,381)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Pension Plans

The City participates in defined contribution pension plans sponsored and administered by URS. Voluntary contributions may be made by employees into the plans subject to Internal Revenue Code limitations. The following is a summary through June 30, 2015:

	2015 Employee Paid Contributions	**2015 Employer Paid Contributions**
401(a) Plan	$ -	$ 47,927
401(k) Plan	5,462	-
457 Plan	57,265	-
RHS Plan	22,772	-

5. SUBSEQUENT EVENT

On November 10, 2015, the City's Redevelopment Agency (RDA) issued bonds totaling $12,961,000 to be used for the construction of a parking facility at the Bingham Junction site. The bonds carry an interest rate of 2.75% and mature in May 2034.

6. PRIOR PERIOD ADJUSTMENT RELATED TO PENSIONS

The Governmental Accounting Standards Board issued Statement No. 68, "Accounting and Financial Reporting for Pensions" resulting in the recognition of assets, liabilities, expenses, and deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in the restatement of net position as follows:

	Governmental Activities	Business-type Activities
Net position, as previously reported	$ 65,738,813	$ 28,667,910
Net pension asset	-	-
Deferred outflows of resources related to pensions	228,577	76,595
Net pension liability	(1,485,207)	(497,711)
Net position, as restated	$ 64,482,183	$ 28,246,794

	Water and Sewer	Storm Water	Sanitation	Other Proprietary	Internal Services
Net position, as previously reported	$ 24,695,249	$ 2,262,399	$ 1,177,496	$ 532,766	$ 1,884,767
Net pension asset	-	-	-	-	-
Deferred outflows of resources related to pensions	46,387	28,381	1,526	301	3,967
Net pension liability	(301,406)	(184,411)	(9,915)	(1,979)	(25,779)
Net position, as restated	$ 24,440,230	$ 2,106,369	$ 1,169,107	$ 531,088	$ 1,862,955

The Water and Sewer funds were disclosed as the *Public Utilities Fund* at June 30, 2014. For comparative purposes, these funds are combined for the above schedule only.

REQUIRED SUPPLEMENTARY INFORMATION

MIDVALE CITY CORPORATION
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

	Noncontributory	Tier 2 Public Employees
	2015	
Proportion of the net pension liability (asset)	0.3673148%	0.1159186%
Proportionate share of the net pension liability (asset)	$ 1,594,967	$ (3,514)
Covered employee payroll	$ 3,126,027	$ 568,393
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.02%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	90.20%	103.50%

*This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

MIDVALE CITY CORPORATION
Schedule of Pension Contributions
Last 10 Fiscal Years*

	Noncontributory	Tier 2 Public Employees
	2015	
Contractually required contribution	$ 577,316	$ 47,825
Contributions in relation to the contractually required contribution	(577,316)	(47,825)
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 3,126,027	$ 568,393
Contributions as a percentage of covered-employee payroll	18.47%	8.41%

*This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

MIDVALE CITY CORPORATION
Notes to the Required Supplementary Information
June 30, 2015

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

SUPPLEMENTARY INFORMATION

MIDVALE CITY CORPORATION
Combining Statement of Net Position – Nonmajor Proprietary Funds
June 30, 2015

	Street Lighting	Telecom	Total
ASSETS			
Current assets:			
Cash and cash equivalents			
Unrestricted	$ 253,169	$ 77,196	$ 330,365
Receivables:			
Accounts	27,410	1,300	28,710
Contracts receivable	-	15,780	15,780
Total current assets	280,579	94,276	374,855
Noncurrent assets:			
Contracts receivable	-	208,290	208,290
Notes receivable, net	-	307,484	307,484
Net pension asset	4	-	4
Total noncurrent assets	4	515,774	515,778
Total assets	280,583	610,050	890,633
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	366	-	366
Total deferred outflows of resources	366	-	366
LIABILITIES			
Current liabilities:			
Accounts payable	13,968	-	13,968
Total current liabilities	13,968	-	13,968
Noncurrent liabilities:			
Notes payable	-	212,867	212,867
Net pension liability	1,595	-	1,595
Total noncurrent liabilities	1,595	212,867	214,462
Total liabilities	15,563	212,867	228,430
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	209	-	209
Total deferred inflows of resources	209	-	209
NET POSITION			
Unrestricted	265,177	397,183	662,360
Total net position	$ 265,177	$ 397,183	$ 662,360

MIDVALE CITY CORPORATION
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds
For the Year Ended June 30, 2015

	Street Lighting	Telecom	Total
OPERATING REVENUES			
Charges for services	$ 246,459	$ 15,421	$ 261,880
Other	2,195	18,000	20,195
Total operating revenues	248,654	33,421	282,075
OPERATING EXPENSES			
Administration	302,891	-	302,891
Street lighting	123,938	-	123,938
Telecommunications	-	825,907	825,907
Total operating expenses	426,829	825,907	1,252,736
Operating income (loss)	(178,175)	(792,486)	(970,661)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	2,189	(256)	1,933
Total nonoperating revenues (expenses)	2,189	(256)	1,933
Income before transfers	(175,986)	(792,742)	(968,728)
Transfers in	175,000	925,000	1,100,000
Change in net position	(986)	132,258	131,272
Total net position - beginning (as restated)	266,163	264,925	531,088
Total net position - ending	$ 265,177	$ 397,183	$ 662,360

MIDVALE CITY CORPORATION
Combining Statement of Cash Flows – Nonmajor Proprietary Funds
For the Year Ended June 30, 2015

	Street Lighting	Telecom	Total
Cash flows from operating activities			
Receipts from customers	$ 243,722	$ 32,116	$ 275,838
Payments to suppliers	(454,454)	(836,358)	(1,290,812)
Net cash provided (used) by operating activities	(210,732)	(804,242)	(1,014,974)
Cash flows from noncapital financing activities			
Transfers from other funds	175,000	925,000	1,100,000
Net cash provided by noncapital financing activities	175,000	925,000	1,100,000
Cash flows from capital and related financing activities			
Increase in contracts receivable	-	(2,726)	(2,726)
Increase in notes receivable	-	(113,884)	(113,884)
Increase in notes payable	-	14,294	14,294
Net cash used by capital and related financing activities	-	(102,316)	(102,316)
Cash flows from investing activites			
Interest received	2,189	(256)	1,933
Net cash provided by investing activities	2,189	(256)	1,933
Net increase (decrease) in cash and cash equivalents	(33,543)	18,186	(15,357)
Cash and cash equivalents, beginning of year	286,712	59,010	345,722
Cash and cash equivalents, end of year	$ 253,169	$ 77,196	$ 330,365
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (178,175)	$ (792,486)	$ (970,661)
Changes in assets and liabilities:			
Accounts receivable	(4,932)	15	(4,917)
Contracts receivable	-	(1,320)	(1,320)
Accounts payable	(27,625)	(10,451)	(38,076)
Net cash provided (used) by operating activities	$ (210,732)	$ (804,242)	$ (1,014,974)

MIDVALE CITY CORPORATION
Combining Statement of Net Position – Internal Service Funds
June 30, 2015

	Fleet	IT	Total
ASSETS			
Current assets:			
Cash and cash equivalents			
Unrestricted	$ 1,441,991	$ 18,098	$ 1,460,089
Accounts receivable	34,235	-	34,235
Inventory	5,622	-	5,622
Total current assets	1,481,848	18,098	1,499,946
Noncurrent assets:			
Net pension asset	44	-	44
Capital assets:			
Construction in progress	37,724	-	37,724
Automobiles, net	543,980	-	543,980
Machinery and equipment, net	453,428	-	453,428
Total noncurrent assets	1,035,176	-	1,035,176
Total assets	2,517,024	18,098	2,535,122
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	4,756	-	4,756
Total deferred outflows of resources	4,756	-	4,756
LIABILITIES			
Current liabilities:			
Accounts payable	87,768	-	87,768
Accrued liabilities	7,192	-	7,192
Compensated absences	5,097	-	5,097
Total current liabilities	100,057	-	100,057
Noncurrent liabilities:			
Compensated absences	1,275	-	1,275
Net pension liability	20,735		20,735
Total noncurrent liabilities	22,010	-	22,010
Total liabilities	122,067	-	122,067
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,712	-	2,712
Total deferred inflows of resources	2,712	-	2,712
NET POSITION			
Net investment in capital assets	1,035,132	-	1,035,132
Unrestricted	1,361,869	18,098	1,379,967
Total net position	$ 2,397,001	$ 18,098	$ 2,415,099

MIDVALE CITY CORPORATION
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds
For the Year Ended June 30, 2015

	Fleet	IT	Total
OPERATING REVENUES			
Charges for services	$ 650,200	$ -	$ 650,200
Other	53,194	39,100	92,294
Total operating revenues	703,394	39,100	742,494
OPERATING EXPENSES			
Salaries and wages	51,501	-	51,501
Employee benefits	16,222	-	16,222
Administration	113,655	21,254	134,909
Supplies	86,414	-	86,414
Repairs and maintenance	11,023	-	11,023
Depreciation expense	169,201	-	169,201
Total operating expenses	448,016	21,254	469,270
Operating income	255,378	17,846	273,224
NON-OPERATING REVENUES (EXPENSES)			
Interest income	11,713	252	11,965
Gain on disposal of equipment	53,255	-	53,255
Total nonoperating revenues (expenses)	64,968	252	65,220
Income before transfers	320,346	18,098	338,444
Transfers in	213,700	-	213,700
Change in net position	534,046	18,098	552,144
Total net position - beginning (as restated)	1,862,955	-	1,862,955
Total net position - ending	$ 2,397,001	$ 18,098	$ 2,415,099

MIDVALE CITY CORPORATION
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended June 30, 2015

	Fleet	IT	Total
Cash flows from operating activities			
Receipts from customers	$ 669,159	$ 39,100	$ 708,259
Payments to suppliers	(54,467)	-	(54,467)
Payments for interfund services	(113,655)	(21,254)	(134,909)
Payments to employees	(67,555)	-	(67,555)
Net cash provided by operating activities	433,482	17,846	451,328
Cash flows from noncapital financing activities			
Transfers from other funds	213,700	-	213,700
Net cash provided by noncapital financing activities	213,700	-	213,700
Cash flows from capital and related financing activities			
Purchase of capital assets	(559,846)	-	(559,846)
Proceeds from sale of capital assets	53,255	-	53,255
Net cash provided (used) by capital and related financing activities	(506,591)	-	(506,591)
Cash flows from investing activites			
Interest received	11,713	252	11,965
Net cash provided by investing activities	11,713	252	11,965
Net increase in cash and cash equivalents	152,304	18,098	170,402
Cash and cash equivalents, beginning of year	1,289,687	-	1,289,687
Cash and cash equivalents, end of year	$ 1,441,991	$ 18,098	$ 1,460,089
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 255,378	$ 17,846	$ 273,224
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	169,201	-	169,201
Changes in assets and liabilities:			
Accounts receivable	(34,235)	-	(34,235)
Inventory	(5,622)	-	(5,622)
Accounts payable	48,592	-	48,592
Accrued liabilities	168	-	168
Net cash provided by operating activities	$ 433,482	$ 17,846	$ 451,328

MIDVALE CITY CORPORATION
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Projects Fund (Major Fund)
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Interest income	$ -	$ -	$ 19,759	$ 19,759
Total revenues	-	-	19,759	19,759
EXPENDITURES				
Capital outlay	692,500	4,753,400	1,975,774	2,777,626
Total expenditures	692,500	4,753,400	1,975,774	2,777,626
Excess (deficiency) of revenues over (under) expenditures	(692,500)	(4,753,400)	(1,956,015)	2,797,385
OTHER FINANCING SOURCES				
Transfers in	692,500	1,792,900	1,148,956	(643,944)
Total other financing sources	692,500	1,792,900	1,148,956	(643,944)
Net change in fund balance	$ -	$ (2,960,500)	(807,059)	$ 2,153,441
Fund balance at beginning of year			2,827,155	
Fund balance at end of year			$ 2,020,096	

STATISTICAL SECTION
(UNAUDITED)

This part of Midvale City Corporations' Comprehensive Annual Financial Report presents detailed information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information.

The statistical section consists of five main categories:

Financial Trends (Pages 77-79)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Pages 80-90)

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity (Pages 91-95)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Pages 96-98)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Pages 99-100)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

MIDVALE CITY CORPORATION
Net Position By Component
(Accrual Basis of Accounting)
Last Ten Fiscal Years

Governmental activities:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net investment in capital assets	$ 75,644,551	$ 74,774,124	$ 75,080,206	$ 84,340,131	$ 89,697,605	$ 87,926,416	$ 85,367,188	$ 83,516,093	$ 74,464,507	$ 80,565,863
Restricted	683,672	46,825	19,106	3,169,169	7,998,445	1,445,511	812,835	10,410,955	3,752,036	883,082
Unrestricted	6,130,725	7,265,719	5,071,441	2,245,509	(23,082,921)	(22,875,699)	(21,580,118)	(29,558,106)	(12,477,730)	(15,512,597)
Total governmental activities net position	82,458,948	82,086,668	80,170,753	89,754,809	74,613,129	66,496,228	64,599,905	64,368,942	65,738,813	65,936,348
Business-type activities:										
Net investment in capital assets	4,132,905	3,376,274	6,370,891	13,280,548	17,787,365	18,600,675	18,887,512	18,958,384	19,014,743	20,418,787
Restricted	3,273,902	3,308,639	3,211,353	5,654,258	3,048,182	-	-	-	-	
Unrestricted	1,722,515	3,206,436	779,513	2,076,866	4,210,196	7,520,161	7,664,189	9,277,452	9,653,167	8,657,672
Total business-type activities net position	9,129,322	9,891,349	10,361,757	21,011,672	25,045,743	26,120,836	26,551,701	28,235,836	28,667,910	29,076,459
Primary government:										
Net investment in capital assets	79,777,456	78,150,398	81,451,097	97,620,679	107,484,970	106,527,091	104,254,700	102,474,477	93,479,250	100,984,650
Restricted	3,957,574	3,355,464	3,230,459	8,823,427	11,046,627	1,445,511	812,835	10,410,955	3,752,036	883,082
Unrestricted	7,853,240	10,472,155	5,850,954	4,322,375	(18,872,725)	(15,355,538)	(13,915,929)	(20,280,654)	(2,824,563)	(6,854,925)
Total primary government net position	$ 91,588,270	$ 91,978,017	$ 90,532,510	$ 110,766,481	$ 99,658,872	$ 92,617,064	$ 91,151,606	$ 92,604,778	$ 94,406,723	$ 95,012,807

(Continued)

MIDVALE CITY CORPORATION
Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 3,429,916	$ 4,491,932	$ 4,645,154	$ 4,720,539	$ 4,748,070	$ 4,047,915	$ 4,330,929	$ 5,445,086	$ 5,256,415	$ 5,666,704
Public safety (1)	8,402,119	9,009,654	9,831,010	9,957,777	10,691,659	10,803,353	5,518,046	5,714,868	6,050,012	6,383,475
Highways and public improvements	2,596,189	2,471,946	2,573,930	2,577,107	2,548,877	4,462,856	3,856,315	3,277,687	2,967,910	2,500,529
Parks, recreation and public property	649,590	708,693	856,523	743,423	688,832	678,459	762,234	764,440	715,784	813,033
Redevelopment	103,101	111,249	108,435	113,965	19,442,794	6,704,500	395,210	373,800	704,130	618,747
Interest on long-term debt	214,936	181,326	169,950	165,388	420,860	1,683,352	1,184,312	1,988,776	1,801,668	1,738,207
Total government activities expense	15,395,851	16,974,800	18,185,002	18,278,199	38,541,092	28,380,435	16,047,046	17,564,657	17,495,919	17,720,695
Business-type activities:										
Public utilities - water and sewer (2)	1,364,652	1,254,625	1,708,621	1,956,931	3,575,004	3,605,976	4,657,700	4,996,524	5,170,826	5,608,460
Storm water	371,766	448,026	517,577	552,194	592,986	751,607	758,040	1,243,205	1,366,964	1,181,903
Sanitation	746,902	753,025	760,800	787,229	808,256	937,858	930,805	956,355	951,112	918,913
Telecommunications (3)	-	-	-	-	-	-	8,669	793,249	808,618	825,907
Ambulance (1)	505,780	525,301	563,790	630,758	614,002	621,180	28,122	-	-	-
Street lighting (4)	-	-	-	-	-	-	-	172,909	160,791	426,829
Equity investment income	-	-	-	-	-	562,280	170,218	(28,323)	(33,824)	(12,840)
Total business-type activities	2,989,100	2,980,977	3,550,788	3,927,112	5,590,248	6,478,901	6,553,554	8,133,919	8,424,487	8,949,172
Total primary government expenses	18,384,951	19,955,777	21,735,790	22,205,311	44,131,340	34,859,336	22,600,600	25,698,576	25,920,406	26,669,867
Program revenues										
Governmental activities:										
Charges for services										
General government	1,146,812	1,208,569	1,429,600	1,236,915	1,245,583	1,618,907	1,824,036	2,159,882	2,656,868	2,722,837
Public safety	1,655,634	1,503,432	1,226,605	1,450,565	1,817,518	2,186,054	1,527,068	2,440,536	1,357,735	1,633,011
Highways and public improvements	16,227	15,214	18,394	13,854	12,501	14,819	20,741	78,263	-	-
Parks, recreation and public property	16,294	40,315	45,550	32,700	44,050	55,675	37,938	40,200	60,625	67,300
Operating grants and contributions	1,847,285	1,020,207	813,428	1,085,982	1,390,277	2,007,000	742,079	810,028	4,683,624	4,281,630
Capital grants and contributions	-	862,279	890,678	12,702,979	6,734,782	1,856,668	1,274,142	1,828,838	793,079	837,135
Total governmental activities program revenues	4,682,252	4,650,016	4,424,255	16,522,995	11,244,711	7,739,123	5,426,004	7,357,747	9,551,931	9,541,913
Business-type activities:										
Charges for services										
Public utilities - water and sewer (2)	1,779,932	1,835,583	2,016,108	2,336,492	4,343,079	4,698,773	5,143,264	5,697,802	5,658,012	5,771,247
Storm water	551,348	563,760	558,563	564,945	598,277	636,201	639,109	809,535	1,042,571	1,632,166
Sanitation	745,796	767,668	768,520	758,561	797,795	794,028	855,133	975,855	999,327	1,010,970
Telecommunications (3)	-	-	-	-	-	-	17,975	15,429	15,816	33,421
Ambulance (1)	559,354	540,682	614,897	551,551	589,376	535,282				
Street lighting (4)	-	-	-	-	-	-	-	112,609	242,776	248,654
Operating grants and contributions	-	-	-	-	-	-	-	95,120	116,744	117,632
Capital grants and contributions	-	-	-	-	3,591,288	164,317	197,734	-	-	-
Total business-type activities program revenues	3,636,430	3,707,693	3,958,088	4,211,549	9,919,815	6,828,601	6,853,215	7,706,350	8,075,246	8,814,090
Total primary government program revenues	$ 8,318,682	$ 8,357,709	$ 8,382,343	$ 20,734,544	$ 21,164,526	$ 14,567,724	$ 12,279,219	$ 15,064,097	$ 17,627,177	$ 18,356,003

MIDVALE CITY CORPORATION
Changes in Net Position (Continued)
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental activities	(10,713,599)	(12,324,784)	(13,760,747)	(1,755,204)	(27,296,381)	(20,641,312)	(10,621,042)	(10,206,910)	(7,943,988)	(8,178,782)
Business-type activities	647,330	726,716	407,300	284,437	4,329,567	349,700	299,661	(427,569)	(349,241)	(135,082)
Total primary government net (expense)/revenue	(10,066,269)	(11,598,068)	(13,353,447)	(1,470,767)	(22,966,814)	(20,291,612)	(10,321,381)	(10,634,479)	(8,293,229)	(8,313,864)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	3,085,378	3,274,567	3,213,580	3,732,753	4,873,443	5,885,344	4,182,241	3,255,513	1,081,837	1,145,102
Sales taxes	5,478,655	5,919,067	5,796,171	4,975,837	4,685,317	4,706,625	5,179,475	5,468,552	5,930,672	6,221,500
Telecomm and franchise taxes	2,236,704	2,364,698	2,390,298	2,322,687	2,294,430	2,400,689	2,440,941	2,641,707	2,832,277	2,764,227
Interest income	232,721	340,191	227,355	84,554	49,641	48,141	64,497	77,128	85,590	46,144
Gain on sale and disposal of assets	46,271	65,157	132,220	154,878	92,642	82,708	151,453	-	-	2,598
Miscellaneous	5,383	43,524	106,308	73,551	164,228	60,371	26,634	196,880	124,783	370,476
Special item - tfr of public safety to other govt	-	-	-	-	-		(3,237,418)	-	-	-
Transfers - net	21,900	(54,700)	(21,100)	(5,000)	(5,000)	(659,467)	(83,104)	(963,213)	(741,300)	(917,100)
Total governmental activities	11,107,012	11,952,504	11,844,832	11,339,260	12,154,701	12,524,411	8,724,719	10,676,567	9,313,859	9,632,947
Business-type activities:										
Interest income	54,519	99,365	282,433	154,036	33,234	65,926	48,100	31,167	40,015	47,647
Equity investment (loss)	(77,581)	(118,754)	(240,425)	(338,460)	(333,730)					
Capital contributions from other government				10,544,902						
Transfers - net	(21,900)	54,700	21,100	5,000	5,000	659,467	83,104	963,213	741,300	917,100
Total business-type activities	(44,962)	35,311	63,108	10,365,478	(295,496)	725,393	131,204	994,380	781,315	964,747
Total primary government	11,062,050	11,987,815	11,907,940	21,704,738	11,859,205	13,249,804	8,855,923	11,670,947	10,095,174	10,597,694
Changes in Net Position										
Governmental activities	393,413	(372,280)	(1,915,915)	9,584,056	(15,141,680)	(8,116,901)	(1,896,323)	469,657	1,369,871	1,454,165
Business-type activities	602,368	762,027	470,408	10,649,915	4,034,071	1,075,093	430,865	566,811	432,074	829,665
Total primary government	$ 995,781	$ 389,747	$ (1,445,507)	$ 20,233,971	$ (11,107,609)	$ (7,041,808)	$ (1,465,458)	$ 1,036,468	$ 1,801,945	$ 2,283,830

Notes:
(1) Beginning in FY 2012, Midvale was annexed by the Salt Lake Valley Fire Service Area, a separate taxing entity, and fire and ambulance service are now provided by Unified Fire Authority.
(2) Beginning in FY 2010, Midvale acquired the water service area previously served by Sandy City, and doubled its water customer base.
(3) The Telecommunications Fund was established in FY 2012 to improve fiber optic capabilities for businesses and residents.
(4) The Street Lighting Fund was established in FY 2013 to provide street lights city-wide, and to switch all lighting to more efficient LED.

MIDVALE CITY CORPORATION
Governmental Activities Tax Revenues by Source
(Accrual Basis of Accounting)
Last Ten Fiscal Years

Fiscal Year	Property Tax	Uniform Vehicle Tax	Sales Tax	Franchise and Energy Tax	Telecom-munications Tax	Transient Room Tax	Total Tax Revenues
2006	$ 2,724,969	$ 360,407	$ 5,478,654	$ 1,442,137	$ 701,835	$ 92,732	$ 10,800,734
2007	2,895,870	378,698	5,919,067	1,529,087	719,325	116,286	11,558,333
2008	2,854,070	359,510	5,796,171	1,590,683	680,772	118,843	11,400,049
2009	3,312,965	419,788	4,975,837	1,592,661	632,245	97,781	11,031,277
2010	4,462,590	410,853	4,685,317	1,634,850	568,987	90,593	11,853,190
2011	5,465,626	419,718	4,706,625	1,771,680	538,696	90,313	12,992,658
2012 (1)	4,106,264	75,976	5,179,478	1,757,034	583,628	100,277	11,802,657
2013 (1)	3,131,952	123,561	5,468,552	1,991,717	550,450	99,540	11,365,772
2014 (2)	1,081,836	113,950	5,930,672	2,102,495	495,776	120,057	9,844,786
2015 (2)	1,145,102	113,980	6,221,500	2,086,631	429,025	134,591	10,130,829

Notes:
(1) In Fiscal Year 2012, Midvale was annexed into the Salt Lake Valley Fire Service Area (SLVFSA). SLVFSA has taxing authority, and property taxes paid by Midvale businesses and residents for fire protection services are now paid directly to SLVFSA.
(2) Prior to Fiscal Year 2014, the Midvale Redevelopment Agency (RDA) recorded property tax revenues received from other participating taxing entities as "property tax revenue". The Utah State Auditor now requires those revenues to be recorded as "contributions from other governments". Those revenues are $2,378,256 and $3,057,153 in 2014 and 2015 respectively.

MIDVALE CITY CORPORATION
Fund Balances of Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 27,185	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	246,058	432,514	246,375	246,375	252,465
Unassigned	-	-	-	-	-	2,239,008	2,687,317	2,718,289	2,714,040	2,752,356
Reserved	50,853	-	-	2,377,532	930,353	-	-	-	-	-
Unreserved	1,965,838	3,134,381	2,274,809	1,593,432	1,315,312	-	-	-	-	
Total General Fund	$ 2,016,691	$ 3,134,381	$ 2,274,809	$ 3,970,964	$ 2,245,665	$ 2,512,251	$ 3,119,831	$ 2,964,664	$ 2,960,415	$ 3,004,821
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 150,130	$ 150,130	$ 150,130	$ 150,130	$ 150,130
Restricted for capital projects	-	-	-	-	-	12,471	-	9,605,336	3,466,803	-
Restricted for redevelopment	-	-	-	-	-	1,238,411	380,321	512,928	32,305	387
Restricted for debt service	-	-	-	-	-	-	-	-	-	630,230
Assigned for special revenue funds	-	-	-	-	-	844,948	1,211,914	911,341	951,388	2,109,836
Assigned for capital projects	-	-	-	-	-	-	308,816	1,677,626	3,387,910	2,020,096
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved - land held for resale	-	150,130	150,130	150,130	150,130	-	-	-	-	-
Reserved for capital projects	632,819	853,781	627,443	641,507	221,220	-	-	-	-	-
Reserved for redevelopment	-	-	-	-	7,777,225	-	-	-	-	-
Unreserved for special revenue fund	184,807	(61,959)	(156,087)	(260,403)	1,470,546	-	-	-	-	-
Unreserved for capital projects	2,311,103	1,589,650	997,812	(250,763)	82,745	-	-	-	-	
Total other governmental funds	$ 3,128,729	$ 2,531,602	$ 1,619,298	$ 280,471	$ 9,701,866	$ 2,245,960	$ 2,051,181	$ 12,857,361	$ 7,988,536	$ 4,910,679

Note: The City implemented the requirements of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* in Fiscal Year 2011.

MIDVALE CITY CORPORATION
Changes in Fund Balances of Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes (1)	$ 10,800,737	$ 11,558,332	$ 11,400,049	$ 11,031,277	$ 11,853,190	$ 12,992,658	$ 11,802,657	$ 11,365,772	$ 9,844,786	$ 10,130,829
Licenses and permits	536,897	524,452	580,397	740,881	639,496	678,288	633,944	887,225	887,041	929,422
Intergovernmental	1,847,285	1,889,820	1,695,960	1,850,677	3,661,920	2,727,839	1,545,056	2,638,866	5,476,703	5,118,765
Charges for services	729,104	966,320	1,174,713	822,645	935,130	1,327,862	1,524,669	1,591,402	2,088,987	1,891,997
Fines and forfeitures	1,228,058	1,276,758	973,185	1,170,508	1,545,026	1,869,305	1,251,170	1,245,081	1,257,733	1,528,308
Interest income	171,756	235,330	142,410	51,826	41,375	39,896	54,934	70,770	78,952	46,144
Miscellaneous	101,666	97,423	159,717	122,066	173,475	60,371	26,634	196,880	138,886	370,476
Total Revenues	15,415,503	16,548,435	16,126,431	15,789,880	18,849,612	19,696,219	16,839,064	17,995,996	19,773,088	20,015,941
Expenditures:										
General government	3,167,659	3,527,002	4,040,008	4,368,584	4,114,489	3,716,382	4,066,517	4,504,328	5,085,037	5,103,097
Public safety (2)	8,303,016	8,833,002	9,570,271	9,558,312	10,296,054	10,510,333	5,372,135	5,635,904	6,008,069	6,392,114
Highways and public improvements	984,193	1,015,675	1,069,790	1,003,184	988,186	893,110	1,032,937	871,110	1,068,817	812,797
Parks, recreation, and public property	644,806	652,299	782,629	646,397	633,633	623,840	706,112	706,933	658,193	736,565
Redevelopment (3)	103,101	111,249	108,435	113,965	19,698,602	6,704,500	395,210	373,800	719,130	3,565,775
Community development	-	486,470	-	-	-	210,085	149,483	-	11,843	5,056
Capital outlay	1,032,681	1,437,139	1,860,979	1,751,950	1,080,495	1,170,661	813,417	2,718,535	7,376,071	4,796,167
Pledge pmt - interlocal guarantee agreement (4)	-	-	-	-	400,710	539,465	835,000			
Debt service principal	263,179	260,249	272,456	284,797	260,000	510,000	1,442,765	1,340,000	1,370,000	1,670,000
Debt service interest	179,866	185,526	172,639	158,925	244,318	1,669,842	1,225,831	1,752,279	1,837,612	1,771,647
Bond issuance costs	-	-	-	-	665,550			217,950	2,000	-
Total Expenditures	14,678,501	16,508,611	17,877,207	17,886,114	38,382,037	26,548,218	16,039,407	18,120,839	24,136,772	24,853,218
Excess of revenue over (under) expenditures	737,002	39,824	(1,750,776)	(2,096,234)	(19,532,425)	(6,851,999)	799,657	(124,843)	(4,363,684)	(4,837,277)
Other financing sources (uses):										
Proceeds from sale of assets	-	-	-	4,863	2,340	7,308	148,261	2,947,359	246,013	2,934,626
Proceeds from capital lease/note payable	-	-	-	-	-	302,765				
Proceeds from bond issuance	-	-	-	2,453,699	27,260,746			8,990,000		
Discount on bond issuance								(90,890)		
Special item - public safety transfer (2)							(1,469,898)			
Contribution from other government	-	-	-	-	-	19,875				
Transfers in	2,025,100	822,543	1,049,619	491,040	1,419,994	2,087,344	2,950,816	5,076,001	3,608,583	1,173,956
Transfers out	(2,003,200)	(747,243)	(1,070,719)	(496,040)	(1,454,559)	(2,754,613)	(2,016,035)	(6,146,614)	(4,349,883)	(2,304,756)
Total other financing sources (uses)	21,900	75,300	(21,100)	2,453,562	27,228,521	(337,321)	(386,856)	10,775,856	(495,287)	1,803,826
Net change in Fund Balance	$ 758,902	$ 115,124	$ (1,771,876)	$ 357,328	$ 7,696,096	$ (7,189,320)	$ 412,801	$ 10,651,013	$ (4,858,971)	$ (3,033,451)
Debt service as a percentage of non-capital expenditures:	3.4%	3.0%	2.9%	2.8%	1.4%	9.6%	22.8%	25.6%	23.7%	20.7%

Notes:

(1) Beginning in FY 2014, the Utah State Auditor's Office required classification of tax increment revenue received by a Redevelopment Agency as "Intergovernmental Revenue" instead of "Property Taxes"
The impact on FY 2014 revenue is a reduction in tax revenue of $2,378,256 and an increase in intergovernmental revenue of the same amount.
The impact on FY 2015 revenue is a reduction in tax revenue of $3,057,153 and an increase in intergovernmental revenue of the same amount.

(2) Beginning in FY 2012, the Salt Lake Valley Fire Service Area (SLVFSA) began providing fire service to Midvale City. SLVFSA is a taxing entity and collects property tax directly from Midvale residents to provide services.

(3) In FY 2010, Midvale's Redevelopment Agency (RDA) issued bonds of approximately $27 million and disbursed those funds to developers in FY 2010 and FY 2011.

(4) Midvale City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Network (UTOPIA). Beginning in FY 2013, pledge payments to UTOPIA are classified as "transfer out" to the Telecommunications Enterprise Fund. The pledge amounts are $780,000 in FY 2013, $795,598 in FY 2014, and $810,159 in FY 2015.

MIDVALE CITY CORPORATION
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

	Primary Residential		Secondary or non-residential		Personal and Centrally assessed		Total			
Year	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed value as a percentage of market value	Direct Tax Rate
2005	666,418,943	1,211,670,805	400,903,430	400,903,430	91,450,378	91,450,378	1,158,772,751	1,704,024,613	68.00%	0.002443
2006	758,196,970	1,378,539,945	493,462,820	493,462,820	92,097,523	92,097,523	1,343,757,313	1,964,100,288	68.42%	0.002118
2007	905,140,738	1,645,710,433	645,682,450	645,682,450	102,638,300	102,638,300	1,653,461,488	2,394,031,183	69.07%	0.001757
2008	968,137,313	1,760,249,660	680,332,960	680,332,960	113,504,849	113,504,849	1,761,975,122	2,554,087,469	68.99%	0.001938
2009	909,472,845	1,653,586,991	592,302,840	592,302,840	116,423,486	116,423,486	1,618,199,171	2,362,313,317	68.50%	0.002262
2010	897,467,110	1,631,758,382	578,865,750	578,865,750	112,242,240	112,242,240	1,588,575,100	2,322,866,372	68.39%	0.002669
2011	893,696,503	1,624,902,733	580,113,670	580,113,670	111,594,979	111,594,979	1,585,405,152	2,316,611,382	68.44%	0.002701
2012	876,577,808	1,593,777,833	579,327,580	579,327,580	111,077,083	111,077,083	1,566,982,471	2,284,182,496	68.60%	0.000687
2013	939,637,475	1,708,431,773	590,548,960	590,548,960	119,788,367	119,788,367	1,649,974,802	2,418,769,100	68.22%	0.000658
2014	1,039,080,432	1,889,237,148	630,681,800	630,681,800	143,089,908	143,089,908	1,812,852,140	2,663,008,856	68.08%	0.000623

Note: Taxable value is 55% of market value for primary residential property and 100% for all other property

Sources: Utah State Tax Commission and Salt Lake County Auditor

MIDVALE CITY CORPORATION
Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years

	City Direct Rate			Overlapping Rates - all Midvale taxing areas							Total Rate	Overlapping Rates - some Midvale taxing areas		
Year	General Operations	G.O. Bond	Total Direct Rate	School District (1)	Unified Fire Service Area (2)	Salt Lake County (3)	S.S.L. Valley Mosquito Abatement District	Central Utah Water Cons District	Jordan Valley Water Cons District (4)	Total Overlapping Rates	Total Direct and Overlapping Rates	Mid Valley Improvement District (5)	Sandy Suburban Improvement District (6)	Cottonwood Improvement District (7)
2006	0.001805	0.000313	0.002118	0.007347	-	0.002988	0.000027	0.000357	0.000353	0.011072	0.013190	-	0.001063	0.000244
2007	0.001508	0.000249	0.001757	0.006617	-	0.002511	0.000023	0.000302	0.000400	0.009853	0.011610	0.000800	0.000876	0.000205
2008	0.001700	0.000238	0.001938	0.006150	-	0.002431	0.000022	0.000286	0.000384	0.009273	0.011211	0.000796	0.000807	0.000193
2009	0.001983	0.000279	0.002262	0.007180	-	0.002842	0.000025	0.000400	0.000400	0.010847	0.013109	0.000885	0.000901	0.000219
2010	0.002381	0.000288	0.002669	0.008060	-	0.003176	0.000050	0.000421	0.000410	0.012117	0.014786	0.000913	0.000936	0.000229
2011	0.002409	0.000292	0.002701	0.008165	-	0.003300	0.000052	0.000436	0.000424	0.012377	0.015078	0.000949	0.000967	0.000237
2012	0.000687	-	0.000687	0.008418	0.002079	0.003420	0.000054	0.000455	0.000443	0.014869	0.015556	0.000985	0.001026	0.000244
2013	0.000658	-	0.000658	0.008111	0.002192	0.003342	0.000021	0.000446	0.000424	0.014536	0.015194	0.000945	0.001035	0.000236
2014	0.000623	-	0.000623	0.007823	0.002097	0.003751	0.000020	0.000422	0.000399	0.014512	0.015135	0.000904	0.000945	0.000226
2015	0.000609	-	0.000609	0.007859	0.001997	0.003214	0.000019	0.000405	0.000400	0.013894	0.014503	0.000871	0.000885	0.000215

(1) - School District includes Canyons School District and Jordan/Canyons School District debt service area. Prior to 2010, Midvale was served by the Jordan School District.
(2) - Midvale City merged with the Unified Fire Service Area in 2012. Prior to that time, Midvale City provided fire service.
(3) - Salt Lake County includes Salt Lake County Library
(4) - Jordan Valley Water Conservancy District is a taxing entity in 8 of 9 taxing areas within Midvale City
(5) - Mid Valley is a taxing entity in 1 of 9 taxing areas within Midvale City
(6) - Sandy Suburban is a taxing entity in 2 of 9 taxing areas within Midvale City
(7) - Cottonwood is a taxing entity in 1 of 9 taxing areas within Midvale City

Source: Utah State Tax Commission

MIDVALE CITY CORPORATION
Principal Property Tax Payers
Current and Nine Years Ago

	2015			2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Excel Ft. Union, LLC	$ 81,528,310	1	4.79%			
F L Smidth Salt Lake City, Inc.	44,781,392	2	2.63%			
PCCP JSP Springs, LLC	29,286,400	3	1.72%			
San Moritz Apartments, LLC	29,136,305	4	1.71%			
River Meadows, LLC	22,841,529	5	1.34%			
Talavera at the Junction, LLC	21,797,435	6	1.28%			
Savage Companies	21,679,318	7	1.27%			
JSP Ridge I LLC; et al	19,336,240	8	1.14%			
Brighton Place Holdings, LLC	17,887,430	9	1.05%	$ 11,920,205	8	0.89%
Remington-Premier, LLC	15,271,685	10	0.90%	12,188,935	7	0.91%
DDR Family Centers, LP				42,711,800	1	3.18%
Ft. Union Associates, LLC				34,494,120	2	2.57%
Midvale 8-B, LLC				20,364,630	3	1.52%
James Campbell Company, LLC				15,867,300	4	1.18%
Littleson, Inc.				13,849,200	5	1.03%
7090 Union Woods, LLC				12,937,500	6	0.96%
Pinehurst Holdings, LLC				10,351,918	9	0.77%
880 East Canyon/2012 Royal				10,008,130	10	0.74%
	$ 303,546,044		17.85%	$ 184,693,738		13.74%

Source: Salt Lake County

MIDVALE CITY CORPORATION
Property Tax Levies and Collections
Last Ten Fiscal Years

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended June 30,	Tax Levied for Fiscal Year	Amount Collected	Percentage of Levy	Collections in Subsequent Years	Amount (1)	Percentage of Levy
2006	$ 2,830,037	$ 2,689,177	95.02%	$ 117,235	$ 2,806,412	99.17%
2007	2,850,309	2,763,742	96.96%	111,096	2,874,838	100.86%
2008	2,906,070	2,790,392	96.02%	80,522	2,870,914	98.79%
2009	3,414,708	3,187,518	93.35%	148,714	3,336,232	97.70%
2010	3,471,447	3,240,302	93.34%	138,724	3,379,026	97.34%
2011	3,933,658	3,659,843	93.04%	182,886	3,842,729	97.69%
2012	3,957,062	3,750,888	94.79%	294,005	4,044,893	102.22%
2013	1,101,334	934,447	84.85%	66,967	1,001,414	90.93%
2014	983,298	944,775	96.08%	40,576	985,351	100.21%
2015	1,132,508	1,100,659	97.19%	n/a	n/a	n/a

(1) Collections in subsequent years represents amounts collected during the next fiscal year for prior fiscal years. Information is not available to which fiscal year subsequent collections may pertain.

Source: Salt Lake County Auditor

MIDVALE CITY CORPORATION
Sales Taxpayers By Industry
Current and Prior Five Fiscal Years

Category	Fiscal Year 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Retail sales										
Apparel/accessories					$ 139,142	$ 128,325	$ 134,677	$ 142,637	$ 140,976	$ 140,947
Auto sales and services					343,271	385,455	424,975	476,623	498,464	570,713
Bldg materials, hardware					227,342	221,765	269,515	355,521	467,259	410,886
Eating & drinking establishments					537,784	569,860	605,271	655,212	730,231	782,303
Groceries					598,136	624,324	675,174	756,369	791,644	816,004
General merchandise					357,648	403,426	494,850	510,475	506,733	488,733
Home furnishings/equipment					314,014	321,084	328,016	265,166	286,501	346,166
Miscellaneous retail					732,611	774,483	804,291	929,551	965,856	964,588
Total retail					3,249,948	3,428,722	3,736,769	4,091,554	4,387,664	4,520,340
Other										
Wholesale trade					640,997	616,603	684,564	689,570	749,354	729,746
Services					511,953	526,249	571,188	615,503	659,199	685,306
Utility/communication					414,177	450,932	468,064	504,128	525,515	538,699
Miscellaneous other					630,745	305,562	522,428	381,176	506,903	619,306
Total other					2,197,872	1,899,346	2,246,244	2,190,377	2,440,971	2,573,057
Grand Total	$ 6,505,507	$ 6,998,583	$ 6,819,996	$ 5,689,488	$ 5,447,820	$ 5,328,068	$ 5,983,013	$ 6,281,931	$ 6,828,635	$ 7,093,397

Note: Utah state law requires pooling and redistributing (based upon population) fifty percent of each municipality's "point of sale" sales tax revenue. Midvale City loses approximately twelve percent of its "point of sale" sales tax revenue to other municipalities.

Sales Tax Revenue by category is not available for fiscal years prior to 2010.

Source: Utah State Tax Commission

MIDVALE CITY CORPORATION
Total Sales Taxes Revenue
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Midvale City Point of Sale revenue	$6,505,507	$6,998,583	$6,819,996	$5,689,488	$5,447,820	$5,328,068	$5,983,013	$6,281,931	$6,828,635	$7,093,397
Less 50% of Point of sale	(3,252,756)	(3,499,294)	(3,410,003)	(2,844,748)	(2,723,912)	(2,664,037)	(2,991,510)	(3,140,968)	(3,414,320)	(3,546,702)
plus portion of statewide pool	2,352,299	2,548,023	2,482,149	2,184,605	2,024,852	2,106,655	2,251,695	2,397,638	2,598,910	2,767,016
Total distribution	5,605,050	6,047,312	5,892,142	5,029,345	4,748,760	4,770,686	5,243,198	5,538,601	6,013,225	6,313,711
Admin fee and other deductions	(118,015)	(128,250)	(95,976)	(53,512)	(63,443)	(64,065)	(63,724)	(70,052)	(82,556)	(92,211)
Net distribution	$5,487,035	$5,919,062	$5,796,166	$4,975,833	$4,685,317	$4,706,621	$5,179,474	$5,468,549	$5,930,669	$6,221,500
Point of sale revenue lost to statewide pool	$900,457	$951,271	$927,854	$660,143	$699,060	$557,382	$739,815	$743,330	$815,410	$779,686

Source: Utah State Tax Commission

MIDVALE CITY CORPORATION
Sales Taxes Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Year	Midvale City Direct Rate	State of Utah	Salt Lake County	County Option Transportation	Mass Transit	Botanical, Cultural, Zoo (ZAP)	Total Sales Tax Rate
2006	1.00%	4.75%	0.25%	0.00%	0.50%	0.10%	6.60%
2007	1.00%	4.75%	0.25%	0.25%	0.50%	0.10%	6.85%
2008	1.00%	4.65%	0.25%	0.25%	0.55%	0.10%	6.80%
2009	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2010	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2011	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2012	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2013	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2014	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2015	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%

Source: Utah State Tax Commission - www.tax.utah.gov/sales/rates.html

MIDVALE CITY CORPORATION
Ratepayer Fees – Business-type Activities
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Culinary water	$ 1,144,578	$ 1,132,767	$ 1,154,054	$ 1,381,576	$ 3,332,267	$ 3,554,708	$ 3,844,077	$ 4,170,018	$ 3,893,407	$ 3,966,808
Sewer	581,916	630,716	620,922	675,356	788,238	906,459	1,070,048	1,149,418	1,277,764	1,448,267
Storm water	532,742	546,137	542,636	553,239	579,076	622,543	628,209	797,642	1,030,112	1,531,045
Street Lighting	-	-	-	-	-	-	-	112,605	239,401	245,793
Sanitation	730,920	753,971	762,265	765,949	767,204	781,411	838,744	963,334	982,645	995,788
Ambulance	560,800	538,566	580,584	548,285	586,824	535,282	-	-	-	-
Telecommunications	-	-	-	-	-	-	9,250	15,339	15,683	15,291
Total	$ 3,550,956	$ 3,602,157	$ 3,660,461	$ 3,924,405	$ 6,053,609	$ 6,400,403	$ 6,390,328	$ 7,208,356	$ 7,439,012	$ 8,202,992

Note:
In FY 2010, Midvale City began supplying water service to its residents and businesses previously served by Sandy City, effectively doubling its customer base

MIDVALE CITY CORPORATION
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

	Government Activities						Business-type Activities					
Fiscal Year	General Obligation Bonds	Excise Tax Revenue Bonds	RDA* Revenue Bonds	MBA** Lease Revenue Bonds	Notes Payable	Leases	Revenue Bonds	Notes Payable	Leases	Total Primary Government	Percentage of personal income	Per Capita
2006	$ 4,220,000	$ -	$ -	$ 112,502	$ -	$ 245,385	$ -	$ -	$ 302,666	$ 4,880,553	1.18%	$ 181
2007	3,995,000	-	-	77,251	-	124,553	1,619,000	-	267,014	6,082,818	1.32%	223
2008	3,760,000	-	-	39,797	-	-	8,269,000	-	230,012	12,298,809	2.32%	448
2009	3,515,000	2,335,000	-	-	-	-	10,164,000	-	191,610	16,205,610	3.17%	580
2010	3,255,000	2,335,000	27,000,000	-	-	-	20,254,000	-	151,755	52,995,755	10.55%	1,805
2011	2,985,000	2,110,000	27,000,000	-	135,000	152,765	20,720,000	135,000	110,391	53,348,156	10.09%	1,887
2012	2,705,000	1,880,000	26,235,000	-	120,000	-	20,027,000	289,737	67,461	51,324,198	9.28%	1,793
2013	2,415,000	1,640,000	25,440,000	8,990,000	105,000	-	21,802,000	29,076	22,966	60,444,042	10.49%	1,998
2014	2,115,000	1,390,000	24,620,000	8,990,000	90,000	-	23,801,000	314,024	-	61,320,024	10.18%	1,993
2015	1,800,000	1,140,000	23,750,000	8,755,000	75,000	-	22,830,000	300,972	-	58,650,972	8.90%	1,849

*Redevelopment Agency
**Municipal Building Authority

Notes:
Detail regarding the City's outstanding debt can be found in the notes to the financial statements.
See "Demographic and Economic Statistics" for personal income and per capita data.

MIDVALE CITY CORPORATION
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property	Percentage of Estimated Actual Value of Property	Population	Per Capita
2006	$ 4,220,000	$ 1,704,024,613	0.25%	26,954	$ 157
2007	3,995,000	1,964,100,288	0.20%	27,241	147
2008	3,760,000	2,394,031,183	0.16%	27,463	137
2009	3,515,000	2,554,087,469	0.14%	27,935	126
2010	3,255,000	2,362,313,317	0.14%	29,363	111
2011	2,985,000	2,322,866,372	0.13%	28,269	106
2012	2,705,000	2,316,611,382	0.12%	28,621	95
2013	2,415,000	2,284,182,496	0.11%	30,245	80
2014	2,115,000	2,418,769,100	0.09%	30,764	69
2015	1,800,000	2,663,008,856	0.07%	31,725	57

MIDVALE CITY CORPORATION
Direct and Overlapping Governmental Activities Debt
June 30, 2015

Governmental Unit (Jurisdiction)	Outstanding debt	Estimated Percentage Applicable to Midvale City	Amount Applicable to Midvale City
Direct:			
Midvale City Corporation	$ 3,015,000	100%	$ 3,015,000
Total Direct Debt			3,015,000
Overlapping:			
Redevelopment Agency of Midvale City	23,750,000	100%	23,750,000
Midvale City Municipal Building Authority	8,755,000	100%	8,755,000
Total Blended Component Units of the City	32,505,000	100%	32,505,000
Canyons School District	306,884,000	11%	32,836,588
Central Utah Water Conservancy District	258,540,068	2%	3,878,101
Salt Lake County	203,324,397	2%	4,676,461
Sandy Suburban Improvement District	9,535,000	62%	5,892,630
Total Overlapping Debt			79,788,780
Total Direct and Overlapping Debt			$ 82,803,780

Note:
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Midvale City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

MIDVALE CITY CORPORATION
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 73,739,716	$ 85,389,976	$ 107,097,305	$ 109,226,463	$ 100,273,797	$ 100,395,381	$ 99,850,679	$ 94,948,029	$ 96,330,467	$ 107,740,919
Net debt applicable to margin	(4,220,000)	(3,995,000)	(3,760,000)	(3,515,000)	(3,255,000)	(2,985,000)	(2,705,000)	(2,415,000)	(2,115,000)	(1,800,000)
Legal debt margin	$ 69,519,716	$ 81,394,976	$ 103,337,305	$ 105,711,463	$ 97,018,797	$ 97,410,381	$ 97,145,679	$ 92,533,029	$ 94,215,467	$ 105,940,919
Total net debt applicable to the limit as a percentage of debt limit	5.72%	4.68%	3.51%	3.22%	3.25%	2.97%	2.71%	2.54%	2.20%	1.67%

Legal Debt Margin Calculation for Fiscal Year 2015	
Assessed value as of 12/31/2014 (1)	$2.694 million
Legal debt margin	
Debt limitation available for general purposes - 4%	107,740,919
Total General Obligation debt	1,800,000
Legal debt margin	$ 105,940,919

Source (1): Midvale City 2014 Continuing Disclosure Memorandum filed with Electronic Municipal Market Access (EMMA)

MIDVALE CITY CORPORATION
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Redevelopment Agency (RDA) Property Tax/Sales Tax Revenue Bonds					Water, Sewer, Storm Water Revenue Bonds					Excise Tax Revenue Bonds		
Fiscal Year	Sales Tax Revenue	RDA Tax Increment Revenue	Total	Debt Service	Coverage	Water/Sewer Net Revenue	Storm Water Net Revenue	Total Net Revenue	Debt Service	Coverage	B&C Road Fund Revenue	Debt Service	Coverage
2006	$ 5,478,654	$ -	$ 5,478,654	$ -	n/a	$ 637,703	n/a	$ 637,703	$ -	n/a	$ 818,743	$ -	n/a
2007	5,919,067	-	5,919,067	-	n/a	756,724	n/a	756,724	-	n/a	862,279	-	n/a
2008	5,796,171	-	5,796,171	-	n/a	733,322	n/a	733,322	189,336	3.87	882,532	-	n/a
2009	4,975,837	-	4,975,837	-	n/a	951,409	n/a	951,409	525,721	1.81	764,695	-	n/a
2010	4,685,317	1,097,874	5,783,191	-	n/a	1,707,450	n/a	1,707,450	606,460	2.82	771,643	97,093	7.95
2011	4,706,625	1,548,870	6,255,495	1,434,122	4.36	2,094,010	n/a	2,094,010	1,248,038	1.68	821,582	324,300	2.53
2012	5,179,478	1,771,440	6,950,918	2,244,324	3.10	2,099,798	n/a	2,099,798	1,583,042	1.33	802,977	320,300	2.51
2013	5,468,552	2,073,445	7,541,997	2,243,724	3.36	2,408,779	n/a	2,408,779	1,569,745	1.53	828,838	321,100	2.58
2014	5,930,672	2,463,319	8,393,991	2,246,860	3.74	2,179,073	(167,727)	2,011,346	1,621,461	1.24	793,079	321,500	2.47
2015	6,221,500	3,185,596	9,407,096	2,255,861	4.17	1,836,794	667,351	2,504,145	1,841,478	1.36	837,135	311,500	2.69
Required coverage					1.25					1.25			2.00

Note: Storm Water net revenue was not pledged revenue for bonds issued prior to Fiscal Year 2014.

MIDVALE CITY CORPORATION
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Median Household Income	Median Age	Personal Income	Income Per Capita	Unemployment Rate (Percentage)
2006	26,954	n/a	n/a	$ 414,019,322	$ 15,360	3.4
2007	27,241	n/a	n/a	460,584,725	16,908	2.9
2008	27,463	$ 44,440	30.2	529,192,188	19,269	3.7
2009	27,935	44,501	29.7	511,648,947	18,316	7.9
2010	29,363	44,382	29.9	502,422,374	17,111	8.3
2011	28,269	44,116	29.7	528,728,113	18,703	7.6
2012	28,621	44,966	31.1	553,047,343	19,323	5.6
2013	30,245	46,029	30.9	576,446,464	19,059	4.8
2014	30,764	47,452	30.9	602,273,191	19,577	3.9
2015	31,725	48,008	30.3	658,848,428	20,767	3.8

Note: At time of publication, information regarding median household income and age were not available for 2006 and 2007.

Sources:

Personal Income: tax.utah.gov/esu/income-federal

Population - US Census

Unemployment rate data source http://www.economagic.com/em-cgi/data.exe/blsla

Median Household Income source http://factfinder.census.gov/faces/tableservices/jsf/pages/productview

Median Age source http://factfinder.census.gov/faces/tableservices/jsf/pages/productview

MIDVALE CITY CORPORATION
Principal Employers
Current and Nine Years Ago

2015			2006		
Employer	Employees	Percentage of total City Labor Force	Employer	Employees	Percentage of total City Labor Force
F.L. Smidth	500-999	4.2%	Walmart	250-499	2.9%
IHC Supply Chain Center	250-499	2.1%	CNS Corporation	100-249	1.4%
InContact, Inc.	250-499	2.1%	Jordan School District	100-249	1.4%
American Express Bank FSP	100-249	1.1%	Qwest Corp.	100-249	1.4%
American Express Centurion Bank	100-249	1.1%	Research Medical Inc.	100-249	1.4%
Cardwell Distribution, Inc.	100-249	1.1%	Sportsman's Warehouse	100-249	1.4%
CST Global, LLC	100-249	1.1%	Utah Medical Products, Inc.	100-249	1.4%
Enterprise Rent-a-Car	100-249	1.1%	Utah Transit Authority	100-249	1.4%
Ereplacementparts.com	100-249	1.1%	Midvale City Corporation	100-249	1.4%
Global Payments, Inc.	100-249	1.1%	Bally Total Fitness Corporation	50-99	0.6%
Harmons	100-249	1.1%	Enterprise Rent-a-Car	50-99	0.6%
Hillcrest High School	100-249	1.1%	Eagle Electric	50-99	0.6%
JST Community Services, LLC	100-249	1.1%	H&R Block of Utah	50-99	0.6%
Molina Healthcare of Utah, Inc.	100-249	1.1%			
National Payroll Services	100-249	1.1%			
PHC of Utah, Inc.	100-249	1.1%			
Premier Group Staffing, LLC	100-249	1.1%			
Security National Mortgage	100-249	1.1%			
Sports Warehouse	100-249	1.1%			
Staker & Parson Companies	100-249	1.1%			
The Video Journal of Education	100-249	1.1%			
Utah Medical Products, Inc.	100-249	1.1%			
Utah Transit Authority	100-249	1.1%			
Walmart	100-249	1.1%			
Wasatch Front Waste & Recycling	100-249	1.1%			
WinCo Foods	100-249	1.1%			
Zions Bank Management Services	100-249	1.1%			

MIDVALE CITY CORPORATION
Full-time Equivalent City Government Employees by Function
Last Ten Years

	Fiscal Year									
Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Legislative	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Executive	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Administrative	5.0	5.0	5.0	9.0	9.0	9.0	7.0	7.0	7.0	6.0
Attorney	-	-	-	-	4.0	4.0	4.0	4.0	-	-
Finance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Utility Billing	1.0	1.0	1.0	1.0	2.0	2.0	3.0	2.0	2.0	2.0
Recorder	1.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources	1.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Justice Court	10.0	10.0	10.0	10.0	9.0	8.0	8.0	9.0	9.0	10.5
Information Technology	1.0	1.0	1.5	1.5	1.5	1.5	2.5	2.5	3.0	3.0
Total General Government	26.0	28.0	28.5	31.5	34.5	33.5	33.5	33.5	30.0	30.5
Community Development										
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning and Zoning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Code Enforcement	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0
Engineering	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Redevelopment Agency	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Total Community Development	11.0	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.5	13.5
Public Works										
Facilities Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks/cemetery	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	1.0	1.0
Fleet	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Street/Storm Drain Maintenance	6.0	6.0	7.0	7.0	7.0	7.0	8.0	9.0	9.0	9.0
Water/Sewer	6.0	6.0	6.0	7.0	7.0	7.0	8.0	9.0	9.0	9.0
Total Public Works	17.0	17.0	18.0	19.0	18.0	19.0	20.0	22.0	21.0	21.0
Public Safety										
Crossing Guards	10.0	10.0	8.5	8.0	8.0	7.5	0.0	0.0	0.0	0.0
Police	54.0	58.0	54.0	47.0	55.0	54.0	0.0	0.0	0.0	0.0
Fire	53.0	53.0	54.5	53.5	52.5	53.5	0.0	0.0	0.0	0.0
Total Public Safety	117.0	121.0	117.0	108.5	115.5	115.0	0.0	0.0	0.0	0.0
Total full-time equivalent employees	171.0	177.0	174.5	170.0	179.0	179.5	65.5	67.5	63.5	65.0

Note:
Midvale City began contracting with the Unified Police Department in 2011 for provision of police services.
The Salt Lake Valley Fire Service Area, a separate taxing entity, annexed Midvale City in 2011. Fire service is now provided by the Unified Fire Authority.

MIDVALE CITY CORPORATION
Operating Indicators
Last Ten Fiscal Years

	Fiscal Year									
Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Residential Building permits issued (1)	62	119	98	93	77	49	161	138	226	178
Number of units (1)	91	141	153	499	551	62	602	162	433	385
Construction cost (1)	$12,972,061	$21,969,882	$21,622,004	$72,023,379	$71,720,312	$9,080,176	$49,687,216	$25,722,428	$71,592,496	$59,789,782
Water										
Residential water connections	2,667	2,450	2,667	2,660	5,532	5,567	5,618	5,705	5,885	5,995
Non-residential water connections	647	730	647	647	989	1,012	1,079	1,086	1,180	1,147
Billed consumption (gallons)				871,743,000	1,319,950,000	1,509,469,000	1,571,863,000	1,651,199,000	1,522,137,000	1,485,905,000
Billed consumption per capita (gallons)				31,206	44,953	53,397	54,920	54,594	49,478	46,837
Purchased from JVWCD (gallons)				51,762,000	34,436,000	22,324,000	53,948,000	54,447,000	54,319,000	55,678,000
Purchased from Sandy City (gallons)				62,146,000	482,636,144	665,178,000	708,000,000	709,417,000	640,987,000	624,264,000
Water from city wells (gallons)				757,835,000	802,877,856	821,967,000	809,915,000	887,335,000	826,831,000	805,963,000
Percent purchased				87%	61%	54%	52%	54%	54%	54%
Sewer										
Residential sewer connections	1,868	1,872	1,877	1,927	1,937	1,957	2,027	2,099	2,297	2,307
Non-residential sewer connections	464	476	489	486	525	542	563	579	492	559
Sanitation										
Number of residential users		5,612	5,671	5,693	5,805	5,803	5,822	5,906	6,037	6,167
Number of residential cans in service		6,828	6,914	6,951	7,077	7,130	7,133	7,199	7,333	7,331

Note: (1) Source is U.S. Census Bureau censtats.census.gov
At the time of publication, information regarding sanitation prior to 2007 and information regarding water consumption and purchases prior to 2009 was not available

Source: Midvale City Corporation

MIDVALE CITY CORPORATION
Capital Asset Statistics By Function
Last Ten Fiscal Years

	Fiscal Year									
Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public works										
Streets (miles)	67	67	67	67	68	69	69	70	71	71
Streetlight poles									1,021	1,372
Parks and recreation										
Developed park acreage					24	24	24	24	24	71
Undeveloped park acreage					15.7	15.7	15.7	15.7	15.7	5.7
Cemeteries	1	1	1	1	1	1	1	1	1	1
Cultural arts centers	1	1	1	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	54	54	57	93	93	93.5	96.5	97	97.4	97.4
Maximum daily capacity (million gallons)	7.9	7.9	7.9	8.8	8.8	8.8	8.8	8.8	8.8	8.8
Storage capacity (million gallons)	1.6	1.6	1.6	1.6	4	4	6.5	6.5	6.5	6.5
Wells	4	4	4	5	5	5	5	5	5	5
Sewer										
Sewer lines (miles)	41	41	41	42	43	43	44	44	45	45

Note: At the time of publication, information regarding park acreage prior to 2010 and streetlight poles prior to 2014 was not available

Source: Midvale City Corporation

GOVERNMENT COMPLIANCE SECTION

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

Honorable Mayor and Members of the City Council
Midvale City Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Midvale City Corporation ("the City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

December 15, 2015

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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REPORT IN ACCORDANCE WITH THE UTAH STATE COMPLIANCE AUDIT GUIDE ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITIRES OF STATE AWARDS

Independent Auditors' Report

Honorable Mayor and Members of the City Council
Midvale City Corporation

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Midvale City Corporation's ("the City") compliance with the applicable general state and major state program compliance requirements described in the Utah State Compliance Audit Guide, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- Cash Management
- Budgetary Compliance
- Fund Balance
- Justice Courts
- Impact Fees
- Utah Retirement Systems Compliance
- Locally Generated Taxes and Fees
- Public Debt
- Purchasing Requirements
- Government Records Access Management Act
- Conflicts of Interest
- Open and Public Meetings Act

The City received the following major assistance program from the State of Utah:

- B & C Road Funds (Department of Transportation)
- State Appropriation for Roads (Department of Transportation)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Utah State Compliance Audit Guide*. Those standards and the *Utah State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Midvale City Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *Utah State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the Utah State Compliance Audit Guide

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 15, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Utah State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects, in relation to the financial statements as a whole.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

December 15, 2015

MIDVALE CITY CORPORATION
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2015

Grant Name	Award/Contract #	Year of Last Audit	Expenditures
Department of Transportation			
B&C Road Funds		FY2014	$ 837,135
State Appropriation for Roads			34,000
Total Department of Transportation			871,135
State Liquor Funds			
State Liquor Funds			49,945
Total State Liquor Funds			49,945
Other Grants			
Cemetery Grant			5,000
Total Other Grants			5,000
Total Grant, Contract, and Loan Fund Expenditures			**$ 926,080**